

Södertörn University | School of Natural Science, Technology and
Environmental Studies | Bachelor Thesis 15 ECTS | Development
Studies | Educational Programme Development and International
Cooperation | Spring Semester 2014

Women's Informal Entrepreneurship - A Force in Development

The Case of Babati, Tanzania

By: Matilda Dahlquist
Supervisor: Vesa-Matti Loiske

ABSTRACT

This thesis aims at investigating women's force in development through engagement in informal, small-scale entrepreneurship. During fieldwork in Babati, Tanzania, network analyses and semi-structured interviews have been conducted, capturing responsibilities, challenges and opportunities of informal women entrepreneurs. The theoretical framework centres socio-economic analyses, through development and feminist economics. Two theories, about development through capital accumulation and cumulative processes, are compared and supplemented with a gender and empowerment perspective. The results are presented through narratives, complemented with a general picture. It is concluded that informal female entrepreneurs are important in development of Babati. They face challenges due to economic, social and gender-related conditions such as lack of capital, high interest rates, poverty, lack of education, malfunctioning government, discouraging men, and increased workload from domestic responsibilities. Their complex, informal networks, based on cooperation and solidarity, are seen as a driver in development. Top-down policies that fight gender norms, empower women, and identify informal workers can improve their situation, but for these to trickle down, a bottom-up approach is required. This thesis pushes for recognising that people living in poverty contribute to economic growth and development, and that empowerment of informal women entrepreneurs is essential for a profound, pro-poor development that trickles up.

Keywords

Trickle Up, Empowerment, Feminist Economics

ACKNOWLEDGEMENTS

The writing of this thesis has been a long journey, physically as well as mentally. I feel proud about the final product, content with the results, and happy, as I immersed myself in a field that included various topics that are among the ones I find most interesting and important. The time spent in Babati, Tanzania, gave me invaluable perspectives and experiences and will be a valuable memory for the rest of my life. The generosity and friendliness that met us students there are beyond words. Yet there are a number of persons whom I would like to thank especially, who have been vital for this project to become a final product.

First of all, I would like to direct my thankfulness to my supervisor, Vesa-Matti Loiske, for being a great support throughout the whole project; before and during the journey as well as in the writing process afterwards. Thanks for all the rewarding advice and interesting conversations, and for generously sharing your profound knowledge about Babati and Tanzania.

I want to thank James Godliving, for being an excellent field assistant; always helpful, patient, and handling the tasks with a smile. Your ability to connect with people and make them understand my role and focus as a student was a condition for gathering the data.

My dear friends are always important, and the contact with them has made the writing process more enjoyable. The Tanzania Team, of fellow students, became like a family. Taking part of their works broadened my view of Babati and made the whole experience even deeper.

Three persons are the most important of all. My mum, Katarina, has always been a good example not only when it comes to being a loving, supportive mother, but also as a committed small-scale entrepreneur and upholsterer who knows how to prioritise in life. My dad, Martin, is always a great source of support in anything I do, whose excitement about Tanzania has been very inspiring. My boyfriend Igor, for love and support without limits, for proofreading and innumerable discussions that have helped me realise what I want to focus on in this essay.

Last but not least, I want to thank the Development and International Cooperation Team of enthusiastic and stubborn professors, and to the School of Natural Science, Technology and Environmental Studies of Södertörn University, for giving this invaluable opportunity of conducting field studies in Babati through such a well-established and well-organised project.

And to the fighting women entrepreneurs in Babati I dedicate this piece of work. Your strength is a force which is constantly spreading, and trickling up...

Matilda, Stockholm, May 25, 2014

TABLE OF CONTENTS

ABSTRACT	I
ACKNOWLEDGEMENTS	II
TABLE OF CONTENTS	III
1. INTRODUCTION	1
1.1 Background	1
1.2 Problem Formulation.....	2
1.3 Aim of the Study	3
1.4 Research Questions	4
2. DEFINITIONS.....	4
2.1 Trickle Down and Trickle Up Development	4
2.2 The Informal Economy	7
3. THEORETICAL FRAMEWORK.....	9
3.1 The Economy of Affection and the Importance of Capitalism	9
3.2 Development through Circular Causation and Cumulative Processes	11
3.3 Feminist Economics and Gendered Development	14
3.3.1 Women Empowerment and Microcredit	14
3.3.2 Beyond Economic Man	17
3.3.3 Feminist Political Economy - an Introduction.....	18
3.3.4 Feminisation of Employment	19
3.3.5 Gender, Globalisation and the Reproduction of Labour.....	20
3.3.6 The Rise of the Female Breadwinner	22
3.3.7 Male Resistance to Women’s Economic Activities	23
4. METHODOLOGY	25
4.1 Collection of Data	25
4.2 Selection of Method	26
4.3 Sampling of the Respondents	27
4.4 Structuration and Analysis of Data.....	28
5. RESULTS	29
5.1 Narratives: Informal Small-scale Women Entrepreneurs.....	29
5.1.1 Mama Lishe Narrative.....	29
5.1.2 Fruit and Vegetable Seller Narrative	31
5.1.3 Fish Seller Narrative.....	33
5.1.4 Sunflower Oil Seller Narrative.....	35
5.2 Narratives: Formal Larger-scale Women Entrepreneurs.....	36
5.2.1 Mama Ally.....	36

5.2.2	Mama Nelson	38
5.3	The General Picture – Presentation of Different Perspectives	39
5.3.1	Anna’s View of Women and Development in Babati	40
5.3.2	The Babati Economy	42
5.3.3	The Informal Economy – and Opportunities to become Formal	43
5.3.4	The Role of Women in Babati’s Economy – the Past, Current, and Future	44
5.3.5	Women’s Role in the Household and the Family	45
5.3.6	The Main Challenges of Women Entrepreneurs in Babati	47
5.3.7	Solutions to Improve Informal Women Entrepreneurs’ Situation	48
6.	ANALYSIS	51
6.1	Analysis of the Results	51
6.1.1	The Challenge of Lack of Capital	51
6.1.2	Regional Development and Tourism	52
6.1.3	The Challenge of Lack of Education and Training	53
6.1.4	Political Challenges, Taxation Issues and the Reproductive Bargain	54
6.1.5	Women’s Opportunities to Conduct and Expand their Businesses	55
6.1.6	Women’s Role in the Household, Gender Roles and Patriarchal Structures	56
6.1.7	Women Networks and the Economy of Affection	58
6.2	Analysis of Theoretical Perspectives	60
6.2.1	Women and Development	60
6.2.2	Development through Phases – or Sectoral Development	61
6.2.3	Trickle Up Development through Informal Networks	61
6.2.4	Change in Attitudes – or Change in Disciplines?	62
6.2.5	Further Research	63
7.	CONCLUSIONS	64
8.	REFERENCE LIST	67
	APPENDIX I	71
	Figure 1: The Network Analysis Template	71
	APPENDIX II	72
	Figure 2: An Illustrative Network: Mama Lishe	72
	APPENDIX III	73
	Anna’s Narrative	73
	APPENDIX IV	76
	Presentation of the Authorities, Entrepreneurs and Politicians	76

1. INTRODUCTION

1.1 Background

Urban areas across the globe are growing at a tremendous speed, and the fast urbanisation commonly goes hand in hand with increased industrialisation. This is however not necessarily the case; the will to live and work in the city is often way bigger than the need for increased labour force. In many low- and middle-income countries, where the distribution of wealth is unequal and the fraction of the population that is wealthy enough to obtain education is small, urbanisation is often not accompanied by upgrading of the skill level and industrialisation, which results in the expansion of the urban informal economy.¹ Apart from agriculture, the informal economy is the major source of livelihood for the poor, and across the globe, women are overrepresented in this category. Recognising these phenomena is inevitable to obtain successful poverty-reducing development from the perspective of government intervention, donors and private sector development.² The fact that the informal economy includes different economic activities that are often unreported in the official statistics, but yet has a constantly growing importance for economies worldwide, makes it a relevant scientific issue to investigate. Further, the informal economy has grown in importance in Sub-Saharan Africa, but in debates about its role within national economies, there seems to be little emphasis of the interests and the weak power base of the people who work within the informal economy.³ This exhorts for research that does this, which the current thesis tries to contribute to.

Tanzania has the common characteristics of a low-income country when considering the livelihoods of its population. Informal rural-urban links are of great importance to the complex continuum of the Tanzanian economy. Despite rapid and stable economic growth, the country's poverty is extensive and stagnant. Poverty causes enormous problems that permeate the country at all levels, and the benefits do not trickle down to the poorest and marginalised.⁴ A vast majority, roughly 75%, or 30 million people, live in rural households, and constitutes 80% of the poor.⁵ Among the people who do not have an agricultural employment in Tanzania, 76.2% are in informal employment, and the fraction of women, 82.8%, is considerably higher than that of men, 70.9%.⁶ This implies that a gender equality

¹ Yuki, 2007

² Lindahl, 2005, p. 18

³ Jackson, 2012

⁴ Stiglitz, 2007

⁵ The World Bank, 2013

⁶ ILO Department of Statistics, 2012

perspective is appropriate to apply, and that there are patriarchal structures that affect women's opportunities to make a career and thus expand their informal businesses and become formal. Research shows that women have greater responsibility for family needs and unpaid domestic work, and thus secure the reproduction of labour.⁷ The linkage between economic development and gender development is increasing, which can be exemplified by microcredit targeted to women, which raises both their economic and political power and makes societies more equitable and more competitive.⁸ There is further research stating that closing the joblessness gap between girls and boys would increase GDP of up to 1.2 per cent in one year.⁹ Moreover, there is extreme lack of data concerning young women's occupations, making this group an important target for research.¹⁰ This suggests that economic empowerment of women is of specifically great importance in development, but regarding this statement, further research is required to see whether it is true for the case of Babati.

Babati, a town located in northern Tanzania, has increased its population by more than threefold over the last thirty-five years, as a result of a large-scale rural-urban migration.¹¹ Babati Town has also grown due to an extension of the area and incorporation of eight surrounding villages. Another regional trend is that it is the middle-sized towns across many Sub-Saharan African countries that have the highest population growth rate. Babati is also an important road junction, and has recently been upgraded as the capital of Manyara Region, instead of being a district capital as it used to be,¹² which has increased the importance of the town even more. The resulting growth of the informal sector has affected living conditions in Babati and is now a fundamental part of the way the town is integrated. As women are overrepresented among the people who have informal livelihoods, their contribution to the domestic economy is important to analyse.

1.2 Problem Formulation

This thesis will focus on adult women who are active informal entrepreneurs in Babati. The livelihoods of the respondents included in this research are *Mama Lishe*,¹³ women selling food, as well as women selling fish, fruits, vegetables and oil at a small-scale level but of different business volumes. Network analysis in a socio-economic perspective will provide a

⁷ Pearson, 2014

⁸ Keating, Rasmussen and Rishi, 2010

⁹ Girleffect.org, 2012

¹⁰ Eitel, 2012

¹¹ Magnér, Johan, 2008

¹² Loiske, 2014.

¹³ *Mama Lishe* literally means Mother Nutrition in Kiswahili.

bottom-up approach of the importance of women's informal entrepreneurship in Babati, if it delivers local solutions for poverty reduction and development in a context of increasing rate of urbanisation and increased empowerment of women. Also a top-down approach will be provided, related to the political will to generate economic growth and the view of the informal sector and women's businesses among authorities. The attempt is to link the informal urban economy and women's economic empowerment to economic growth, poverty reduction and human development at an aggregate level for Tanzania.

1.3 Aim of the Study

The aim of this study is to illustrate women's role in development through their engagement in informal entrepreneurship and small-scale businesses, at both micro and macro level. This will be illustrated by the case of Babati, where qualitative, semi-structured interviews and network analyses have been conducted in order to investigate how informal entrepreneurship is included in families' economic strategies through women's livelihood, and what demand they meet in Babati. The thesis will examine the role these women have in the household and their responsibility over the family's economy. It will also investigate what main challenges informal, small-scale women entrepreneurs in Babati face, and what their opportunities are to conduct and expand their businesses and transform them into formal ones. This includes a presentation of how these women perceive their situations and opportunities. Additionally, the perspectives of authorities, politicians and larger-scale entrepreneurs in Babati will be presented, about the general situation in Babati. How they view the conditions of informal women entrepreneurs and whether there are any specific strategies or plans to improve or somehow affect their opportunities will also be discussed.

Further, the study aims at setting this local context in a larger perspective, in which the informal sector can be viewed both as an opportunity for people to start a career based on local demands to get out of poverty, but also as an unreliable livelihood, with low incomes, irregular work and insecure conditions. By focusing on informal women workers' conditions, it provides a view of development as caused by circular causation and cumulative processes that occur simultaneously at different levels. This theoretical perspective is represented by Myrdal, which is compared with the standpoint of Hydén, that development is caused by capital accumulation and a process that overcomes the economy of affection, in advantage of a capitalist system. These two theories will be supplemented with a gender and empowerment perspective. This thesis thus aims at investigating the importance of women who, through informal entrepreneurship, are a driving force for trickle up development.

1.4 Research Questions

- *What role does the informal women entrepreneurs in Babati play in the household and what responsibility do they have over the family's economic strategies?*
- *What are the main challenges for the informal, small-scale women entrepreneurs in Babati?*
- *What are the opportunities for women in Babati to conduct and expand their informal businesses and transform them into formal ones?*
- *What theoretical perspective of development, represented by Hydén and Myrdal, respectively, does provide the best description about the situation in Babati?*

The first three questions are problem-based, directly connected to the fieldwork in Babati. The fourth question is of a theoretical, more analytical character. Overall, the research questions capture the different levels and perspectives of the problem that this thesis aims at investigating; a bottom-up as well as a top-down approach, questions that can be analysed from interdisciplinary perspectives and that are related both to Babati as well as to a more general view of the role of women's informal, small-scale entrepreneurship in development.

2. DEFINITIONS

In this section, the hypothesis of trickle down will be presented. Also, the impact of trickle up forces will be brought up, representing the bottom-up approach, which is assumed to be of importance to development along with the trickle down forces. Further, a significant part of this section will be devoted to defining and discussing the informal economy.

2.1 Trickle Down and Trickle Up Development

“Trickle-down economics, which holds that as long as the economy as a whole grows everyone benefits, has been repeatedly shown to be wrong.”¹⁴

The hypothesis of trickle down is based on the idea that with enough growth, and with little state intervention, the positive impacts from economic development will trickle down and increase wealth at an aggregate level in society. According to this viewpoint, a free market creates outcomes that make even poor people better off. There is however well-established critique to this proposition, such as the aspect that even though absolute poverty may decrease, the relative poverty, and income inequalities, typically increase. People at different

¹⁴ Stiglitz, 2007, p. 23

levels of income consume different goods, and in reality, rich people commonly create demands for products and inputs that only the rich can supply. History has shown that economic inequalities do not vanish over the long run, but are perpetuated, which is linked to the functioning of the credit market. If one assumes perfect credit markets, everyone should be able to borrow the amount of money needed to invest in a skill or business, but there are social mechanisms that create conditions, so that in order to get a loan, you must prove that you have the ability and willingness to repay. This is why a social contract is formed, including punishments from deviation, and assets are needed as collateral, which are lost in the event of a default. Access to the credit market is thus connected to access to collateral, which excludes poor people in unequal societies as they cannot convince creditors that they will not default. If capital is needed to start a small business, consequently, poor people cannot freely choose their occupations, and are shut out of projects like entrepreneurship. This causes inequalities in wealth, and heavy implications for the economy even at macro level, as inequalities create aggregate inefficiencies which are hard to get rid of. Government policies, such as asset redistribution, can affect this negative growth path by increasing the degree of economic efficiency through raised equality in wealth distribution.¹⁵ Another policy response to reach the small borrowers who are locked out from the formal-sector credit is microfinance, or small-scale lending. By lending to groups of people instead of individuals, the hidden information of local communities works innovatively, as groups are formed very carefully, excluding bad borrowers who could destroy other members' opportunities to borrow again.¹⁶

Why does capitalism triumph in the West, but fails everywhere else? This question is asked by de Soto,¹⁷ who explains “the mystery of capital”. The main reason why countries outside the Western world cannot make use of capitalism is the incapability to produce capital. The author shows empirically that poor people already own the assets needed to make a successful capitalism work. The value of their assets exceeds that of states, stock markets, foreign direct investment, aid and loans from the World Bank across the world. What they lack is a system that enables transformation of work to assets, and as they are not in disposal of their assets, it is complicated to invest. Due to absence of documented property rights, assets are not transformed into capital, making assets of poor people “dead capital”. It is difficult to trade with dead capital outside of narrow local spheres where people know and trust each other, or to use it as collateral to take a loan. The solution to the mystery of capitalism is – capital; to

¹⁵ Ray, 1998a

¹⁶ Ray, 1998b

¹⁷ Soto, 2001

realise how the West has managed to create capital out of assets by representing them with registered ownership. According to the author, the West blames the malfunctioning of the market in “third world countries” for lacking entrepreneurial spirit and market orientation. This is incorrect, as these countries have an extensive undercapitalised, informal sector with an enormous amount of talented, creative and enthusiastic entrepreneurs, who fill the gaps of the legal economy. The challenge is to transform the assets of poor people to live capital.

“A truer image would depict a man and woman who have painstakingly saved to construct a house for themselves and their children and who are creating enterprises where nobody imagined they could be built. I resent the characterization of such heroic entrepreneurs as contributors to the problem of global poverty.”¹⁸

Based on the above critique of the hypothesis of trickle down, together with de Soto’s analysis of dead capital, an interpretation is to link this to trickle up development. A paper¹⁹ that realises the importance of trickle up effects in development studies market inefficiencies and policy remedies by using a model in which agents are assumed to choose their occupations, and entrepreneurial talent is subject to private information. The authors find that the returns to entrepreneurship are depressed by untalented entrepreneurs due to adverse selection, because of the outside option of entrepreneurs to work for wages, which links credit, product and labour markets. Policies that benefit workers, like raising wages, reduce the problem of adverse selection, as the least talented entrepreneurs are driven out of business so that better terms in product and credit markets are transformed to more talented entrepreneurs. This is called “the pool quality effect” as the benefits that were initially given to workers trickle up and thus create expansion of remaining entrepreneurs. This outcome has the potential to make all agents better off. It is further concluded that, if it is not possible to screen agents, then there will be solid support for such trickle up policies, but if screening is possible, so that wealthy entrepreneurs have collateral for their loans, the benefits do not trickle up to all the talented and wealthy entrepreneurs, which makes them unsupportive to surplus enhancing policies. The authors thus state that screening instruments are potentially destructive, as they divide agents into classes with conflicting interests, prohibiting poor entrepreneurs from lobbying for their favourite policies. If poor agents are targeted, then surplus enhancing policies have a multiplier effect, which makes the benefits trickle up.²⁰

The phenomenon of trickle up development has gained little focus in research, but this thesis suggests a more extensive use and will therefore incorporate this in the analysis.

¹⁸ Ibid, p. 36-37

¹⁹ Ghatak, Morelli and Sjöström, 2007

²⁰ Ibid

2.2 The Informal Economy

The informal economy can be defined as “non-registered self-employed persons or micro enterprises outside agriculture”²¹ and the informal sector as an “unregulated commercial activity which takes place outside the official or mainstream economy, and is carried out on a small scale and on a self-employed, casual, or irregular basis.”²² But defining the informal economy is proved problematic, and current definitions fail to work in all contexts. There are though attempts to generate a model of the informal economy that is “clear enough to foster a distinct research agenda.”²³ It can be concluded that the informal sector is heterogeneous, which is empirically proven in a study that asks if informal employment in developing countries is an “opportunity or last resort?” stating that the informal sector is an attractive employment opportunity for some workers, whereas for others it is a survival strategy to escape unemployment.²⁴ It is important not to simplify the formal-informal divide, and not associate informal with “unstructured and chaotic” as it can lead to policy disasters. Instead, the informal-formal terminology could be used to “characterize a continuum of the reach of official intervention in different economic activities”.²⁵ It is also emphasised that there is a theoretical gap about the entrepreneurial process in the informal economy, which can be filled by studying the role institutions and collective identity play in the recognition and exploitation of opportunities in the informal economy, by applying a multilevel perspective.²⁶

There is a study with an innovative approach that goes beyond the view of the heterogeneous informal sector as composed by two distinct segments; “survivalists in the lower tier and growth-oriented top-performers in the upper tier”, but identifies “constrained gazelles”; a group of entrepreneurs among the lower tier that yet have a quite high profitability. Based on a sample of informal entrepreneurs in seven West-African countries, the authors link the relative size of these three groups to the countries’ structural and macroeconomic environment.²⁷ Studying the urban informal economies seems hard without a development economic approach. “Is informal employment a safety net or a growth engine?” is asked in a study²⁸ that delivers a theoretical model of long- and short-run behaviour of informal labour. The long-run conclusion is that informality is larger when labour productivity is lower,

²¹ Lindahl, 2005, p. 18

²² The Oxford English Dictionary, 2014

²³ Godfrey, 2011

²⁴ Günther and Launov, 2012

²⁵ Guha-Khasnobis, Kanbur and Ostrom, 2006, p. 1

²⁶ Webb, Tihanyi, Ireland and Sirmon, 2009

²⁷ Grimm, Knorringa and Lay, 2012

²⁸ Loayza and Rigolini, 2011

government services weaker and business flexibility less widespread. In the short run, informal employment acts counter-cyclically, showing that it is mainly a safety net. The degree of counter-cyclicality varies inversely with the size of informal labour itself.²⁹ This can be related to a study that concludes that there exist two types of steady states; the equal opportunity steady state represents a developed economy,³⁰ and the unequal opportunity steady state a stagnant developing economy regarding the accumulation of human capital, the sectoral and regional distributions of the population and income inequalities. What determines the long-run outcome is the economy's initial distribution of wealth, the initial fraction of the population who is wealthy enough to obtain education, which upgrades the skill level, expands the formal sector and reduces inequality.³¹ In another theoretical model, the size of the informal sector is shown positively related to income inequality and this to a greater degree under weak institutions, and negatively related to the economy's wealth.³²

To capture the interests and the weak power base of the people who work within the informal economy, a cross-cultural perspective can improve the understanding about the contributions and future of skills development, employment and organisation within the informal and wider economies. The informal sector is closely linked to local communities, and applicable to developments in Africa, but also to postcolonial theory and its underlying structures.³³ Adopting a gender analysis framework when focusing on very low-income informal women workers is surely relevant. This is done in a study that examines competing perspectives about the various impacts on African women and men of globalisation, liberalisation and structural adjustment programs. These can be seen as entrepreneurial opportunities as well as shattering for poor informal women workers. The point is to avoid a dogmatic attachment to concepts that assume informal workers to be dynamic entrepreneurs when they cannot be, or blame only present policies for conditions that are the product of complex historical processes.³⁴

As there is a diffuse border to what economic activities that can be referred to as part of the informal economy, this thesis will include activities that could be considered "semi-formal" in the informal sector. This could for instance be women selling fruit and vegetables in a market with a license, but without conducting a registered business.

²⁹ Ibid

³⁰ Note that this thesis uses the categories low- and middle-income countries instead of third world or developing countries, but throughout the thesis, the referred terminologies will be the ones used in the original sources.

³¹ Yuki, 2007

³² Chong and Gradstein, 2007

³³ Jackson, 2012

³⁴ Johnston-Anumonwo and Doane, 2011

3. THEORETICAL FRAMEWORK

The theoretical framework provides an interdisciplinary approach that illustrates different aspects of development. It is divided into three sections, where the first one presents the economy of affection and the importance of capitalism, the second treats circular causation and cumulative processes, and the third a gender perspective and empowerment of women. The theories constitute the gathered knowledge about development and provide different explanatory factors to what create or prevent development processes. The first and the second theories, represented by Hydén and Myrdal, respectively, are to be compared and expanded in the analysis chapter through the perspective of feminist economics, the third theoretical part.

3.1 The Economy of Affection and the Importance of Capitalism

There is no shortcut to progress. Those words are both the conclusion and the title of a book³⁵ by the political scientist Göran Hydén. It kicks off in a description about the crisis of Africa, with many countries experiencing negative growth and decreasing GDP per capita.³⁶ He reckons that it is necessary to search for alternative solutions for the development of Africa, as well as the survival of aid. In this search, it is important to go beyond the narrow borders of the disciplines, which have become distorted due to scientific specialisations in the Western world. The development of Africa must be seen from its own perspectives. As a by-product of the colonial era, many Africans have come to associate capitalism with elitism and oppression in favour of socialist values. After the wave of independence across African countries followed an optimistic era, with new political leaders who opposed the colonial course and, according to Hydén, welfare was prioritised over growth, which resulted in a growing gap between incomes and expenditures. The rising deficit in the treasury became a task for foreign aid to tackle. Hydén makes clear that economic growth is a condition for development, and this neglected fact must become the main concern for new development strategies in Africa.

To understand the reasons behind these failures, it is fundamental to consider how African societies are organised socially and economically, and the root is the Economy of Affection. Hydén sees the peasantry's methods for organisation and production as prescientific, with small, autonomous production units and low productivity, specialisation and technology. The economy of affection is distinguished by a network of interaction, communications and support that exist among certain structurally defined groups, closely allied through family ties,

³⁵ Hydén, 1985. English title: "No Shortcuts to Progress"

³⁶ Note that this reflects the reality of the second half of the 1980s, with conditions quite different from today's. Also note that throughout this section, there are references to Africa, but it is of course important to keep in mind that the reality across individual African countries may be very different.

friendship, community or religion. Various economic and social units are thus connected in a systematic way through cooperation for productive as well as reproductive ends. This multifaceted system constitutes the base in the African society and has an estimated production value that exceeds the public and the private ones. It is integrated at all levels, from grass-root level to the top, affecting governance, decision making and administration. As it tends to be temporary and informal, the government is structurally redundant. Also, as it is unregistered, it does not contribute to macroeconomic flows, and its importance is barely debated or analysed. Hydén thinks that one of the reasons why there is a lack of knowledge about the construction of African economies is due to the invisible and uncontrollable nature of the economy of affection. It is clear that the economy of affection has important functional purposes in society, which main categories are survival, social maintenance and development purposes. Through networks of reciprocal responsibilities, it provides a social safety net and supportive mechanisms to the marginalised, who are too poor to qualify for individual loans from formal credit institutions. This quick, automatic and reliable system is more successful than any other formal institution, though, part of this takes resources from the national economy that could have been used in a more productive way. The micro-level social maintenance is often contrary to, and prioritised over, the macro level development efforts.³⁷ The corporate enterprise of the informal sector is a field that probably is supported by the economy of affection, through networks of colleagues and relatives, providing informal forms of savings and credit grant, a field that should be researched further.³⁸ The economy of affection is however larger than the informal sector, and it decides the character of many kinds of development activities including agriculture, small-scale enterprise, education support, migration etc. It plays a significant role in development work by diverting wealth generated from the formal economy to groups that otherwise would not have access to it.

Apart from the positive aspects described, the economy of affection has a downside, namely a tendency to slow down the development by preventing the necessary changes in social behaviour and institutional patterns that are required in order to maintain economic growth on the national level. The economy of affection has survived the colonial era and grown in importance, which has contributed to the structural rootlessness of the government, deprived vital public resources, and lowered the productivity. When a nation experiences stagnation, the economy of affection tends to consolidate its position, which is what has happened when these states have not managed to boom their formal economy. As the material conditions did

³⁷ See example in Hydén, 1985, p. 32

³⁸ Note that this suggestion is not contemporary, but still, this thesis does treat that topic.

not improve after the independence, the new African leaders faced the same challenges as their colonial predecessors; how to incorporate a diversity of small-scale producers, absorbed by the economy of affection, in a route to achieve national, macro-economic ends and interests? The author finds that one must draw new historical parallels, and compare Africa with the pre-industrial Europe, in the early stage of class antagonism and emerging capitalism. He describes Africa as in its earliest transition phase to capitalism, and that its “first generation of entrepreneurs” is to be created.

The main premise of Hydén’s book is that the peasantry’s mode of production maintains an opportunity for producers in the rural areas to avoid the requests from a given macroeconomic system, which means that the consequences of the economy of affection for Africa’s overall development cannot be ignored. It operates as a break block on development of nation-states. Therefore, the public sphere must be liberated from the strong pressure of the economy of affection. He finds that Africa needs to rip off these ties, in favour of increased productivity, economic growth and macro-economic gains. Hydén advocates a transition to capitalism, as it provides the most efficient counterforce against the economy of affection, because it requires a radical change in the peasantry’s methods for production. The peasants must be integrated in the capitalist economy in such a way that they cannot draw back from the modern system. This would create a social group that could be in the position of competing with the international capital. Even though international capital via multinational companies could create behavioural changes, the effect should be reduced to very small groups, as a result of high automation of the production. A functioning market economy will create incentives for a prosperous national capitalism, which would gradually reduce the economy of affection, even though it is expected to take a long time. Hydén believes that it is a more likeable strategy to divert resources from the formal economy to utilise within the informal social networks of the economy of affection. But the author is convinced that Africa is approaching the capitalist phase, and that this is the only road, without shortcuts, toward development.³⁹

3.2 Development through Circular Causation and Cumulative Processes

The economist Gunnar Myrdal is critical to traditional economic theory and the stable equilibrium assumption, which he calls a “false analogy”. In his book,⁴⁰ Myrdal aims at obtaining a more realistic theory to analyse social change, development and underdevelopment. The stable equilibrium assumption cannot be applied to social reality as

³⁹ Hydén, 1985

⁴⁰ Myrdal, 1957

social processes do not follow a direction, nor approach automatic self-stabilisation. Rather on the contrary, the system is constantly on the move away from a balanced state between forces, as a change supports new changes, moving the system in a circuitous way in the same direction as the first change but much further. This is what Myrdal calls the principle of circular and cumulative causation, which is the base of a theory that, he states, has “validity over the entire field of social relations” and should be the main hypothesis when economic underdevelopment and development are studied.⁴¹ As an example, Myrdal explains how “white prejudice”, which creates discrimination against black people, and “low plane of living” of the black population, are two mutually interrelated forces that cause each other. Even though it might appear static, it cannot be considered a stable equilibrium position, as a change in one of the components causes a rise or fall in the other, which continues in a circular way, creating a cumulative process. Forces are not working in the same direction, but when a shock occurs, the changes in the forces work in the same direction so that the secondary changes support the first change, as the variables are so interlocked in circular causation. If one assumes circular causation, it becomes useless to find a basic factor, or to distinct economic factors from non-economic factors. Any economic policy affects different factors, and by trying to understand how these are interrelated, one can maximise the effects of a given policy aimed at changing the social system. The exclusion of the role of so-called non-economic factors in cumulative processes of economic change is, according to Myrdal, one of the main shortcomings of economic theory.

With the principle of interlocking, circular interdependence within a process of cumulative causation, one can explain how a country experiences regional economic inequalities. To concretise, Myrdal uses the example of a factory accident which leads to unemployment, and decreases incomes and demand, which in turn leads to lower incomes and unemployment in other businesses as well, creating a vicious circle; a process of circular causation. The argumentation is not only valid for downward cumulative processes, but for upward ones as well. If, for example, a factory is placed in a specific community, then labour, capital and enterprise are attracted from outside, which increase incomes and demand as well as profits, savings and investments. The author explains further that expansion in one locality has “backwash effects” in other localities, and through migration, capital movements and trade, cumulative processes evolve upward in some regions and downward in other, resulting in regional inequality. In this way, if unaided, the poorer regions face continuously raised

⁴¹ Ibid, p. 23

competitive disadvantages and poverty. However, there are centrifugal “spread effects” from the centres of economic expansion to other regions, and if these are strong, it reduces the problems of regional inequalities. Myrdal states that there is a correlation between large income inequalities and underdevelopment, and as the spread effects are weak, the free play of the market forces leads to increased regional inequalities in poor countries. In this cumulative process, “poverty becomes its own cause.”⁴² A high level of economic development neutralises the backwash effects as it leads to stronger spread effects through improved transportation and communications, higher educational levels, and more dynamic unities of ideas and values. Utilizing the potentialities of the human resources is thus a way to create an upward cumulative process and economic development. When it comes to changes in general business conditions, traditionally business cycle research has been used, focusing on the aggregate changes from one point or period of time to another. But this short-run equilibrating perspective is only “ripples on the surface”. Instead, Myrdal prefers a focus on the business conditions’ consequences for economic development, as long-term changes represent cumulative results of a chain of short-run changes. The analysis of the problems of regional inequalities within individual countries is similar to that of international inequalities, as rich and progressive countries are the ones that are strengthened by a widening of markets. Also, these two types of inequalities cause each other in the circular way of a cumulative process. Myrdal proposes that colonial or quasi-colonial dependence must be ended, and that underdeveloped countries should cooperate more with their neighbour countries, as solidarity and pooled bargaining power would make them stronger. He writes that:

“No society has ever substantially reformed itself by a movement from above: by a simple voluntary decision of an upper class, springing from its social conscience, to become equal with the lower classes and to give them free entrance to the class monopolies. Ideals and social conscience do play their very considerable role, which should not be forgotten. But they are weak as self-propelled forces, originating reforms on a large scale – they need the pull of demands being raised and pressed for. When power has been assembled by those who have grievances, then is the time when ideals and the social conscience can become effective.”⁴³

Myrdal concludes that the most important change in state policies is the common understanding that each underdeveloped country should have a national economic development policy. He defines economic development as a rise in the levels of living of the common people, which should be the goal for each government. The national plan must have detailed directives and determine the allocations of capital over different sectors, such as transport, agriculture, education, and health. It is of high importance that the plan is built on

⁴² Ibid, p. 34

⁴³ Ibid, p. 71

circular causation between all the factors in the social system, economic as well as non-economic, as economic development in a country is a cumulative process. If an underdeveloped country manages to start and sustain an upward cumulative process of economic development by its policy interferences, it will generate more space for private enterprise. The author writes that the only way to create economic development is to raise the share of the national income which is withheld from consumption and devoted to investment, and when levels of living increase, there are additional gains apart from the economic ones of raised productivity and income, and these must be accounted for. It is added that an underdeveloped country is characterised by high unemployment, or by what he calls “disguised unemployment”, but the fact that labour is not productively employed represents an opportunity to become developed. There would be a net advantage if that labour could be successfully employed, so that the country could “lift itself by its own bootstraps” and thus start a sustained economic development process. The assumption that circular causation among all factors in the social system causes a cumulative process is the main hypothesis for Myrdal’s general theory of underdevelopment and development.

3.3 Feminist Economics and Gendered Development

3.3.1 Women Empowerment and Microcredit

There is an increasing linkage between economic development and gender development. This linkage can be exemplified by microcredit, as empowerment of women, seen as economic actors, benefits women by increasing both their economic and political power. This process makes societies more equitable politically and more competitive economically. A study⁴⁴ examines the material and symbolic consequences of the linkage between economic factors and women’s liberation made by supporters of microcredit programs. The inclusion of the gendered nature of global development into capitalist structures is widely suggested.⁴⁵ Another study⁴⁶ treats this topic by reporting how microfinance affects gender roles, based on research in Ghana. It concludes that microfinance has changed men's and women's control over decisions and resource allocations. This in turn has affected financial responsibilities and education of children, and contributed to the wellbeing of the household. However, it also finds that microfinance is not enough to improve the wellbeing of women and households.⁴⁷

⁴⁴ Keating, Rasmussen and Rishi, 2010

⁴⁵ Ibid

⁴⁶ Arku and Arku, 2009

⁴⁷ Ibid

A paper⁴⁸ by Linda Mayoux aims to be a catalyst for serious debate about how to develop and lobby to establish an agreed gender justice protocol for the microfinance sector. It starts by stressing that women's empowerment and gender equality of opportunity are integral and essential for any serious strategy for economic growth and pro-poor development. For this reason, gender issues cannot be seen as a marginal concern for the financial sector. There has however been little attention to gender issues within the microfinance movement, this in spite of female targeting of small loans and savings, and frequent use of the term empowerment in promotions. Gender justice means "enabling women to realise their full potential by removing pervasive gender inequalities and discrimination, which constrain women at every level."⁴⁹

Apart from this, it means affirmative action to enable both women and men to promote and benefit from this change. In reality, there is still unequal access to more advanced financial products between women and men, even though the access to small loans and savings has increased in many regions. Women generally receive lower amounts of loans, and this discrimination in accessing larger loans can lead to collapse of women's successful businesses. Also, in many rural village banks, and credit and savings cooperatives, women are the majority of savers, whereas men receive the majority of the loans. An exception is organisations for women only. Men are more often in decision-making bodies, and consequently the levels of financial sustainability are lowered as interest rates are fixed in favour of borrowers. It is brought up that microfinance may undermine existing informal systems, especially those of poor women. Regardless of the substantial potential contribution, one cannot assume any of the linkages between women's access to financial services and empowerment to occur. The author notes that microfinance might even disempower women, but that context and individual situation highly affect if and how much the woman benefits. This is indeed a complex issue, and Mayoux brings up various aspects, such as that of financial indicators of access. One cannot conclude that the statistics of women's loans actually is an indicator for empowerment, as it does not certainly mean even participation and decision-power between the man and the woman. As a result from gender inequalities, financial services do as well not necessarily lead to increasing incomes for women, through limited access to other resources for investment, responsibility for household expenditures, lack of time due to unpaid domestic work, lower mobility and vulnerability. Further, women's increased contribution to household income does not guarantee that they benefit and improve their wellbeing or the gender relations, even though these women often feel more in control.

⁴⁸ Mayoux, 2010

⁴⁹ Ibid, p. 583

“Worrisome evidence indicates that men, in response to women’s increased (but still low) incomes, may withdraw more of their contribution to the household budget for their own luxury expenditure. Men are often very enthusiastic about women’s savings and credit programs because their wives no longer “nag” them for money. It also is important to note that, for women, small increases in access to income may come at the cost of heavier workloads, increased stress, and diminished health.”⁵⁰

Mayoux stresses that the empowerment process must have effective strategies that encourage changes in men’s attitudes and behaviours, which, apart from being important for women, would be positive for economic growth and poverty reduction overall. Yet another issue is that women’s individual economic empowerment and/or participation in group based microfinance programs do not necessarily imply social and political empowerment. Spending time on work and group meetings related to loans may hinder women from other social and political activities, and their existing networks may be hurt if their own or others’ loan repayment or savings contributions become a problem. Evidence shows that the contribution solely of microfinance is most limited for the poorest and most disadvantaged women. Financial services targeted to men have been shown to contribute less to the wellbeing of the household, so when financial services assume men to be the head of the household, they may strengthen men’s informal rights over household assets, labour and income, and thus weaken women’s informal rights. The author points out that a strategic gender justice approach is required, which goes beyond women’s equal access through only feminising debt, to ensuring that this access is entailed to empowerment and improved wellbeing. Merely the expansion of financial services is not sufficient a tool for acquiring gender equality and empowerment goals, but financial products and services must be appropriately designed. These must be of all types, for micro entrepreneurs but also for medium- and large-scale female entrepreneurs and farmers who are potential role models and employers. Women must be viewed as capable and valued economic actors, not as victims who are lucky to get a small loan.

The paper argues that there are steps that all financial institutions can take to improve women’s access to finance, ensure appropriately designed financial products, applying gender based indicators for effective monitoring and valuation of impact, construct consumer protection measures, and advocate on behalf of women in the public sphere. Integrating gender justice to financial service provision is necessary for women’s empowerment, which per se would cause improvements for both the financial services sector and development in general. An empowered woman is potentially a more profitable client. Further, apart from benefitting women, Mayoux concludes that the shift in priorities for resource and funding

⁵⁰ Ibid, p. 585

allocation due to gender and empowerment inclusion would improve the longer run financial and organisational sustainability of the services themselves. This would improve the sustainability and dynamism of the economy as a whole.⁵¹

3.3.2 Beyond Economic Man

Gender is a social construction that is not to confuse with biological sex. Gender refers to the way “masculinity” or “femininity” is attributed in societies to people, activities and concepts. Ferber and Nelson⁵² explain the links between gender and the contemporary discipline of economics, which both are social constructions. The discipline of economics is not fixed, but shaped by the interests and biases of the people who created it. The authors argue about the fact that mainstream economics is defined by culturally “masculine” topics and characteristics such as autonomy, abstraction and logic, whereas “feminine” topics, like connection, concreteness and emotion, are largely excluded. By challenging the definitions of economics built on rational choice theorising and markets, they suggest a definition that presupposes the provisioning of human life.⁵³ Feminist economists have questioned and challenged the masculinist biases in neoclassical economics, based on assumptions like “the separative self” which acts according to self-interest and prioritises competition and efficiency instead of cooperation and equity.⁵⁴

In an essay,⁵⁵ the neoclassical economic assumptions about the individual agent are further examined. The basic assumptions that constitute the theoretical structure of neoclassical economics are related to gender, as they are based on one type of self for market behaviour, namely a self-interested and atomised individual with preferences that no one can change. However, the self for the family is of a completely different kind, and the family forms preferences in a manner that is less narrowly self-centred, as families share money and care for each other. The author notes that these two spheres are dichotomised, where the market is analysed through an extreme “separative” view of the self, while that of the family through an extreme “soluble” view. England discusses the roles of separation and connection in defining human identity. It is argued that economists exaggerate the connective empathy and altruism within families, and ignore traditionally female activities’ contribution to the wealth of the nations, such as child rearing, household work and volunteer work. Women’s altruism

⁵¹ Ibid

⁵² Ferber and Nelson, 1993

⁵³ Ibid

⁵⁴ Ferber and Nelson, 2003

⁵⁵ England, 2003

towards children is typically assumed, not emphasised, by economists. She concludes that it is biasing, assuming that agents are only autonomous and self-interested, on the one hand, or lacking independent will or agency, on the other. The author thus suggests a rejection of this false dichotomizing, and that empirical studies are demanded in order to prove how individuation and connection combine in all spheres, and that both have a value.⁵⁶

Nelson extends England's analysis about separation and connection to more aggregate levels and in her essay,⁵⁷ she focuses on contemporary business organisation. The author problematizes the view of firms as bounded entities, active, autonomous, and separative, and simultaneously passive, dependent and soluble. Firms are assumed to be profit-maximizing units governed by market forces, with the passive function as a price taker. This dualistic view limits the assumptions about how the world works. Instead, Nelson uses models of relationality that go beyond the separative/soluble dichotomy of contemporary firms but presuppose webs of individuals-in-relation of social and ethical consequence. Nelson argues that neglecting the significance of relations and values within corporations in conventional economics leads to defective analysis and guidance for three reasons. Firstly, because these cannot explain many of our time's important economic phenomena, such as the economic and financial crises. Secondly, the profit-maximisation assumption has been shown to be ideology rather than fact. Thirdly, if firms are viewed as asocial and amoral, they get away from moral responsibility, leaving its workers split down the middle when trying to combine economic action with personal responsibility. The author does not suggest a total discarding of the economic standard tool, but rather that these should be seen as part of a larger, more valid toolbox. Nelson concludes that using only these concepts causes a serious bias with gendered roots. By shifting from a separative to an individuals-in-relation view of firms and markets, it becomes clear that both are human constructions, actively shaped by human efforts.⁵⁸

3.3.3 Feminist Political Economy - an Introduction

The feminist political economy scholarship emphasises that most political and economic systems are dependent on certain kinds of relationships between women and men. It challenges the dominant narratives about economics and development by introducing feminist economics and gendered analyses of development. Diane Elson and Ruth Pearson are two feminist economists who have highly affected these fields and contributed to making them

⁵⁶ Ibid

⁵⁷ Nelson, 2003

⁵⁸ Ibid

recognised subfields of economics and development studies.⁵⁹ In the introduction of the book “New Frontiers in Feminist Political Economy”, the editors write that:

“Economics as a discipline has been notoriously unwilling to recognize more heterodox visions of what constitutes legitimate economic analysis and theorizing.”⁶⁰

Feminist political economy challenges the leading orthodox neoliberal economic model that is built upon the market economy with growth and accumulation as main goals, whereas feminist political economy highlights human needs and wellbeing. Elson and Pearson use an interdisciplinary gendered analysis that focuses both on actors and structures, and they see economies as gendered structures and institutions. They argue that global capital, especially in terms of multinational companies operating in low-income countries, is based on existing gender norms that construct women as “docile workers.”⁶¹ Further they have come to the conclusion that there is a non-linear relationship between gender and capital, and that gender relations of inequality cannot only be seen from economic development. This becomes obvious as the production boundary excludes domestic work, and so does the measurement of a nation’s GDP. Not accounting for women’s domestic work has secured dependence on men, assuming the male breadwinner as head of the household.⁶² Patriarchy and capitalism create hierarchies that “intersect in the everyday political economy, structures and gender relations of productive and social reproductive work.”⁶³ Nowadays gender analyses are included in most policymaking of national and international economic institutions, but still they focus mainly on micro level interventions rather than paradigm changes. For instance, gender is recognised as a relevant variable in poverty studies or microcredit evaluations, but a gender perspective is still invisible in most economic research and policy at the macro level.⁶⁴

3.3.4 Feminisation of Employment

Since the late 1970s, a global integration of the world’s economies has occurred, parallel with a stable rise in female labour force participation rates in most regions of the world. This has been accompanied by stagnant or declining employment for men, resulting in an increase of women’s share of the overall labour force. This “feminisation of employment” was observed by Elson and Pearson in the ground breaking paper “Nimble Fingers Make Cheap Workers”.⁶⁵ They focused on women in low- and middle-income countries employed in world market

⁵⁹ Rai and Waylen, 2014

⁶⁰ Ibid, p. 4-5

⁶¹ Ibid, p. 3

⁶² Ibid

⁶³ Ibid, p. 8

⁶⁴ Ibid

⁶⁵ Elson and Pearson, 1981

factories, producing export goods for rich countries. The authors start by rejecting the deeply rooted idea that women's subordinate position is derived from a lack of job opportunities, and that this can be solved by offering enough job opportunities. This implies that women are left out of the development process, but instead, they state, the relations through which women are integrated into the development process must be problematized and investigated. Elson and Pearson conclude that there are intrinsic limits to the extent to which the subordination of women as a gender can be ended by wage work for women through capitalist accumulation.⁶⁶

3.3.5 Gender, Globalisation and the Reproduction of Labour

The impacts from the past decades' globalisation are multifaceted, but one outstanding consequence of the world's economic transformation has been the creation of a new female labour force in the export factories, mainly in developing countries. The question is whether this has implied an opportunity for women who previously were excluded from wage employment, or if has intensified their exploitation? In an essay,⁶⁷ Pearson explains the interaction between economic globalisation and women's subordination by foregrounding the role of the state when it comes to mediating and facilitating how relations of production and reproduction are interlinked. According to Pearson, state policies form the ways in which women's labour power is employed and reproduced in global supply chains, meaning that the state has a central role in the economic, social, and political contexts that make productive work constantly interlinked with reproductive responsibilities. The author refers to a theoretical framework that was set in "Nimble fingers",⁶⁸ concluding that women factory workers employed in the expanding export manufactures sector in low-income countries were kept in their social position as women. This social role included absence of political voice, inferior access to resources and opportunities, as well as lack of power in intra-household decision making. Apart from low wages and unfavourable work conditions, they still carried the responsibility for unpaid domestic work, which functioned to secure the reproduction of the whole family. From a Marxist and feminist perspective, the authors argued for the existence of a dialectic relationship between gender and capital accumulation, and that these circumstances could either intensify, decompose, or recompose women's subordination. Thus, the experiences appear contradictory; many women working in export production experienced empowerment and increased autonomy, as well as exploitation and increased vulnerability.

⁶⁶ Ibid

⁶⁷ Pearson, 2014

⁶⁸ Elson and Pearson, 1981. "Nimble Fingers" is discussed more thoroughly above.

Although Pearson highlights women employed in export sectors, she makes clear that a great fraction of women workers are not included in global supply chains through formal organised workplaces. The rising of the informal economy shows that the increased production for global markets has generated informal jobs rather than employments for women where they might enjoy benefits such as regulated working conditions and social protection. Various examples are brought up about the diversity of the incorporation of women's labour into global markets, showing that women's labour needs to be extremely flexible to meet the needs of the constantly changing character of global capitalist accumulation. Pearson goes on with a more theoretical explanation of the interaction between global accumulation, the role of the state and the gendered nature of women's subordination. Feminist Economics has criticised the assumption, shared by Marxist and neoclassical traditions as well as by contemporary institutions, that women's subordination at work can be solved by achieving gender equity only through equal pay and status of women in the labour force. However, there is a key point missing, which is that women have an increased work burden as they are bound to unregulated and unpaid work in the domestic sphere. As the labour stock is not fixed it must be reproduced, biologically as well as on a generational basis. The reproduction has a cost, including health care and education, but also daily reproduction has costs such as for food, shelter and security, in order for the bodies to function and to contribute to the production. The full cost of reproduction of labour is never covered by the wage, but the wage does cover the commodity costs. This means that converting commodities into values requires women's unpaid labour.

“The relationship between labour expended in wage employment and the conversion of the wage into the resources necessary for the reproduction of labour power is central to the understanding of the ways in which production and accumulation in the global economy is gendered.”⁶⁹

The author uses the term “the reproductive economy” to capture these phenomena, and writes that what has been referred to as domestic labour now becomes more visible due to demographic, social and economic changes in today's society. She further introduces the concept of the “reproductive bargain” as something occurring between the worker and the state, when she discusses the key role of the state when it comes to the potential of providing resources and support for reproduction. The potential contribution of the state in the reproduction of workers and of labour power is important for the understanding of the interaction between women's employment in the global economy and the reproduction of their gendered subordination. One way in which it does this is by recalling that there is no

⁶⁹ Pearson, 2014, p. 31

fixed division of responsibility between the worker, the employer, the community and the state. According to Pearson this division is a result of struggles between these actors, which shows the importance of women's voice and activism for modelling the entitlements for workers as well as for everyone involved in reproduction of labour. She further writes that:

“[S]o the meaning of a particular wage goes beyond a calculation of effective purchasing power in different economies and rather to an understanding of what, in resource terms, that wage has to provide for the worker and her dependents, and what entitlements a worker might have directly from the state and community, outside the monetary value of the wage.”⁷⁰

Pearson concludes that reproduction, the public state sphere and the private household sphere must be accounted for as determinants of the ways in which women and men access resources and labour for the reproduction of labour power, and of the reproduction of social relations. In this way global production depends on women's reproduction of human labour power. The key to progress for women in both the productive and the reproductive spheres are public goods and services, and family and community resources, which can be called reproductive commons; “publically resourced reproductive labour and services”.⁷¹

3.3.6 The Rise of the Female Breadwinner

The increase in female labour force participation rates that results from the changing conditions of the global economic integration has pushed women across the globe into the formal economy, but also into the expanded informal economy. This is a conclusion that Kabeer makes in an essay⁷² in which she further discusses the feminisation of employment. There are various factors that have contributed to making it both possible and desirable for women to take up paid work, such as falling fertility rates, higher levels of education for women, and changing ambitions. Other factors that have contributed to women being pushed into the labour market are the declining importance of agriculture, growing landlessness, urbanisation, economic recession, debt crisis, structural adjustment policies, and “declines in male employment prospects and wages.” In this neoliberal era with changing landscape of the demand for labour, women have become “the flexible labour force”.

“They [women] are generally free of the ‘fixed costs’ associated with organized labour: gender stratified occupational structures that serve to curtail their options and weaken their bargaining power while hegemonic ideologies of the male breadwinner are used to justify paying them less than men.”⁷³

Kabeer notes that this feminisation of global labour markets has led to the growing phenomenon of the female breadwinner, and she discusses how men and women try to adapt

⁷⁰ Ibid, p. 37

⁷¹ Ibid, p. 38

⁷² Kabeer, 2014

⁷³ Ibid, p. 62

to this by asking whether this rise in women's formal as well as informal work is leading to a crisis of social reproduction. By applying a feminist analysis, it is pointed out that the reproduction of human life and labour within the domestic sphere has its own internal logic, and to some degree it is independent from production for the capitalist market, with economic accumulation as driver. Systems of male dominance and female subordination are defined and legitimated by gender roles, social identities and cultural norms. While men's participation in the labour market is both consistent with, and required by, their obligations as breadwinners, that of women is combined with their socially given responsibility for the unpaid, non-commodified work of reproduction within the home. This helps to explain emotional reactions to women's breadwinning role that many men have. Even though some men participate to a greater extent in the domestic work, many have had difficulties in adapting to the increased economic power of their wives. Studies show responses such as refusal to share domestic and childcare responsibilities, drinking, violence, withdrawal of their financial contributions, taking second wives, or divorce. Kabeer calls the commodification of women's labour "a double-edged sword" for women, especially poorer women with children. The increased fraction of female labour force has failed to eliminate gender hierarchies, which might be a reason to why many women combine their domestic responsibilities with their authority and privileges obtained from paid work, even if their incomes and working conditions are bad. However, the changing family patterns might not only be seen as a crisis in social reproduction, but it could also represent a transition to new ways of organizing it. What is happening is a crisis in patriarchal authority within the family. Kabeer concludes by expressing hope that ways can be found to subordinate markets and to let society be organised based on non-market values of solidarity, reciprocity and an affective interdependence.⁷⁴

3.3.7 Male Resistance to Women's Economic Activities

The experiences of women's paid work vary widely from social context, local opportunity structures, and individual life course. These affect the availability and quality of paid work, its social acceptability for women, the difficulties of negotiating their entry, and participation in paid work. Kabeer exemplifies by bringing up the huge differences between formal employments and informal activities. Married women generally face more familial resistance, most often from their husbands. A number of reasons to this are mentioned, such as concern about public opinion about if they are suitable as breadwinners, and worry that their wives would stop taking their unpaid domestic responsibilities. Even though most studies are based

⁷⁴ Ibid

on wage work, there are also studies that show male resistance to women's informal activities.⁷⁵ One such example is a study based on field studies in Kenya,⁷⁶ concluding that men are often unwilling to allow their wives to conduct informal trading activities because they see the greater financial independence of their wives as a threat to their authority and the unity of the household. One reason is that the woman's domestic responsibility is seen as essential to hold the household together, implying that women's involvement in some independent economic activity would threaten not only the family but the whole social order. In addition to this, there is an underlying distrust of women's loyalty and sexuality, based on a fear that a woman with her own income would leave her husband for another man. And indeed, there have been more cases of marriage breakdowns, when men have not succeeded with their role as breadwinners. Also an increasing number of women have chosen not to get married. But the changes in livelihoods have caused different implications for gender relations, with renegotiations of power and responsibilities that have raised new issues about men and women's ways to get access to land, labour and money, as well as intensifying older ones. It is also clear that gender relations have a crucial role in enabling or preventing people's abilities to construct diversified livelihoods.⁷⁷

Another study that confirms the resistance of men to any form of paid work outside the home is one that is based on women wage workers in rural Mozambique,⁷⁸ out of which a big share are divorced, separated or widowed. These women tend to have better jobs than partnered women, and are also relatively better at investing in their daughters' education. The paper concludes by suggesting that policies to increase women's access to adequately paid wage work could cause significant changes to the welfare of very poor rural Sub-Saharan African women and their children.⁷⁹ There are other reports that show a number of positive outcomes of women's paid work outside the home. A study about Senegal⁸⁰ notes that women who start informal trade on their own account enjoy greater freedom to travel, to make decisions about labour, get greater control over their own income, and form groups with others outside the household. This is referred to as a crisis of masculinity, as male control over women has decreased in the postcolonial epoch due to domestic struggles over labour and income.⁸¹

⁷⁵ Ibid

⁷⁶ Francis, 2002

⁷⁷ Ibid

⁷⁸ Oya and Sender, 2009

⁷⁹ Ibid

⁸⁰ Perry, 2005

⁸¹ Ibid

4. METHODOLOGY

4.1 Collection of Data

Field studies were conducted during three weeks in February and March, 2014, in Babati, Manyara Region, Tanzania. This was a way to collect primary data in search for the answers to the research questions, through qualitative, semi-structured interviews and network analysis. The respondents are categorised into two groups, where the first one is of women entrepreneurs, mainly informal, small-scale ones, and the second is of authorities, politicians and larger-scale entrepreneurs. In total twenty interviews were conducted, with twelve interviews in the first category and eight in the second. Of the informal livelihoods of the women entrepreneurs interviewed, three work as *Mama Lishe*, four sell fruits and vegetables, two sell fish and one sells sunflower oil. Additionally, two women managing formal shops were interviewed. The age span of these twelve respondents is between 22 and 65 years old. All respondents of this first group are anonymised and are named differently in reality.

Among the interviews in the second group, two were with women conducting larger scale businesses, who started as small-scale entrepreneurs. One of them owns restaurants, petrol stations and a lodge, and the other owns lodges and conference centres. They are both anonymised. The remaining six were with one politician: the Secretary of the Umoja Wa Wanawake Tanzania (UWT), the organisation for women of the socialist and ruling party Chama Cha Mapinduzi (CCM); three authorities: a man employed at The Tanzanian Chamber of Commerce, Industry and Agriculture (TCCIA), the Assistant Regional Manager at the Tanzania Revenue Authority (TRA), and the Tourism Officer at Babati Town Council; and finally two entrepreneurs who functioned as key respondents. Furthermore, one of the network analysis interviews, with a lawyer who owns a shop, developed into a general interview, giving empirical material for the second group of interviews as well.

Apart from the primary data, secondary data was collected to capture the theoretical framework and the necessary background information in order to increase the understanding of the topic, as well as providing tools to make a relevant analysis about the results. The definition section contains information about development and the informal economy. The research questions are highlighted by an interdisciplinary, socio-economic, gender based theoretical framework for the empirical results obtained from the fieldwork in Babati to create a scientific contribution to the great field of development studies. The main part of the secondary sources are published, peer reviewed articles from scientific journals. Moreover, some internet sources, two oral sources and a textbook were used.

4.2 Selection of Method

Network analysis was the method used for the first group of women entrepreneurs.⁸² The idea of network analysis is to make a graphic representation of the centre, in this case the woman's business. You start with this geographic point, and from this point you ask questions concerning its construction, strategies and conditions. Through this method one captures her network and gets a detailed picture of the woman's business and its embeddedness and obtains a map over how it works.⁸³ The sum of these networks created an illustrative view of women in the informal regional economy of Babati. The purpose with the network analysis was to try to see how women conduct their informal businesses, how they network, what challenges they face and what opportunities they have to expand their businesses. It was an appropriate method as it typically generated a lot of information in little time. Also, it was advantageous as it provided a base to the interview questions and a clear structure, that was easily adapted to the situation of the woman currently interviewed. The interview questions were categorised into four topics: business description, perceptions, background and family, with sub-categories of questions that can be seen in Appendix I. During each interview, the notes of the material followed these themes, written down as a network according to the example in Appendix II, which shortly after the interview was written down more carefully.

For the top-down approach, nine qualitative, semi-structured interviews were conducted with authorities, politicians and larger-scale entrepreneurs. This was relevant in order to broaden the perspective from the women's own networks and enable a deeper analysis and wider answers to the research questions. The semi-structured interview is believed to be the preferable method in order to generate results that are trustworthy and that increase the understanding of these issues. The goal was to generate an empirical material as nuanced and qualitative as possible in order to create an authentic study that gives a fair picture of the opinions, views and conditions concerning women entrepreneurship in Babati. Five of the interviews were recorded with a dictaphone to decrease the risk of missing or misinterpreting something when the conversation was all in English and there was no one else to take notes. These interviews were transcribed. In all other cases each interview was interpreted from English to Kiswahili by the field assistant, James, and I was the one taking notes. After each interview the material was carefully written down, based on the questions asked and not on the topics from the networks. Via close cooperation with the field assistant and interpreter,

⁸² See the template of the Network Analysis in Appendix I. See Appendix II for a *Mama Lishe* network.

⁸³ Loiske, 2014

the research aimed to endeavour credibility and respondent validity to make the results to be in accordance to the social reality that is the target of this research.⁸⁴

4.3 Sampling of the Respondents

Purposive sampling was used to try to get answers to the research questions and problem formulation, which “groups participants according to preselected criteria relevant to a particular research question”.⁸⁵ Focus was on women in Babati whose livelihoods are informal and small-scale, with the objective of capturing a broad span of entrepreneurs. As a complement, entrepreneurs who have managed to make a career and become formal managers were selected, and authorities. Purposive sampling was required as the time available for fieldwork was short, and the number of interviews restricted, and to depict the heterogeneity of the informal urban economy, respondents of different business volumes were thus relevant to interview.

During the field work, sample of convenience was used. The area was limited to the central parts of Babati, such as the Babati market, the bus square and along the big roads, where plenty of economic activities are taking place. In the process of finding respondents, the role of the field assistant was essential, as he introduced the subject and the purpose of the research in an apparently good manner, as everybody had a positive attitude to participation. This in spite of that the interview was made while they were working, but of course they could interrupt the interview at any time. Of the ten informal small-scale businesswomen, two had some connection to the field assistant before, out of which one was interviewed spontaneously, as she was the respondent of a colleague of mine, whom I assisted by taking notes. This developed to an interview for my project as well. The remaining eight women were not informed in advance, but were asked to participate as they were conducting businesses in the central parts of Babati. It was a conscious strategy not to let a great part of the interviews be held with respondents in the field assistant’s network, as it could give a biased result and not be representative of the population. However, it was no option to make a completely random sample, as the empirical material needed was too small to make it relevant. Among the authorities, the sample of convenience method was clearer. Two of the field assistants of other students were interviewed, functioning as key informants. The man working at TCCIA happened to have been a field assistant last year. Some respondents were found thanks to advice from other people, such as other field assistants or respondents or my

⁸⁴ Bryman, 2002, p. 352-357

⁸⁵ Family Health International, 2005, p. 5

supervisor. These conditions could be seen as problematic, but as they participated mainly in the role of their professions, it turns out to be less disturbing.

4.4 Structuration and Analysis of Data

The empirical material generated from the network interviews are compiled through narratives, representing all the interviewed women within each of the four informal livelihood categories. These four narratives compose the major results of this study. The interviews with the two large-scale businesswomen are also presented through narratives, to capture their journeys from being small-scale to large-scale. One of the two shop managers contributed with reflections of the overall situation of women entrepreneurs and development in Babati, and is therefore presented in a different form, in first person, while her narrative is placed in Appendix III.

The general framework to these women's businesses contains sets of regulations about taxation and entrepreneurship support, which is represented by TRA and TCCIA, and their views of informal women workers' contributions. The future opportunities of these women's businesses can be affected by changing contexts and new projects, why the interview with the Tourism Officer is interesting, as tourism has the potential of increasing the number of customers and thus the overall demand for their products or services. Also the political women organisation UWT had ideas about how to increase women's empowerment. The two key respondents shared their views about the general situation, which also the two successful businesswomen and the shop owner did, as well as describing their own strategies and experiences.

These results are compared with and analysed in relation to the narratives, to see whether the views contradict or correspond to each other. This is by the end of the thesis seen in the light of the theoretical framework and the previous studies, constituting an analysis that tries to answer the research question in an integrating way. In the analysis, relating to the fourth research question, the theories represented by Hydén and Myrdal are compared to see which one that embodies the situation in Babati in the best way. These two theories are expanded by being complemented with a gender-based feminist perspective for their relevance to increase, as the perception of the importance of women and their empowerment is absent in their theoretical reasoning. The aim is to let the fieldwork in Babati form a case of the importance of women and their informal, small-scale entrepreneurship as a driving force in social and economic development. This case study reflects the situation of women in Babati and cannot be generalised to women of Tanzania or Africa.

5. RESULTS

5.1 Narratives: Informal Small-scale Women Entrepreneurs

5.1.1 Mama Lishe Narrative

Mama Mary's working day starts in the night. After closing the restaurant at 11:00 pm she starts the preparations for tomorrow. She works as a *Mama Lishe*; she sells locally made food in a restaurant in New Majengo in the centre of Babati. It is the best area for her business, as there are a lot of people passing by. She has many different kinds of customers; people in the neighbourhood, people coming from the bus station, people working in the garage nearby, and many farmers. She has many customers who are returning on a regular basis, as they know she is good. Another positive thing is that the shops and markets are close. After the closing routines she brings some money from today's profit and goes the shop to buy the ingredients needed for tomorrow. She brings a list of what she needs, but sometimes they do not have everything, so that she must go to another shop as well. Then she walks back to the restaurant with the products. Her day ends around midnight. Then it starts about 6:00, sometimes at 5:00, in the morning after. She runs her business seven days a week, all year around.

Mama Mary is a 34 year old woman who lives in Babati, not far from her work. She was born in Babati and has been living there her whole life. It is the fourth year she is runs her business there, and she has a lot of experience. She is enjoying it because of her great experience, she knows that her food is appreciated and that the customers like the way she prepares the dishes. She serves breakfast, lunch and dinner, as people come during the whole day. She is very keen about the different needs and tastes of the customers, which is why she offers different options of traditional food for all costumers to find something. Beans and vegetables are constant in all dishes, and then the customers can choose from fish, roasted meat or banana, and either *ugali* (corn mush), rice or *chips* (french fries). The dishes for lunch and dinner are combined and prepared the same way. She also makes *chapati* (flatbread) and *chai* (tea), which people have for breakfast. It is only the food that is her business, and the *chai*, but the drinks served at the place are somebody else's business with separate profits, but they share the rent. After people have ordered food she serves them, and then she calls the drinks servicer who asks if they want drinks, and if so, they buy it directly from him. Her business is not licensed, but the one who owns the restaurant she rents has a license.

When she comes in the morning, she starts preparing everything before the customers start to come, which is around 7:00. She has one assistant, a 19 year old girl named Mwanaidi, who

helps her. Her dream is to work as a *Mama Lishe*, so she is learning from Mama Mary. They prepare the food outdoors in a separate part of the open air area next to the wall. They divide the tasks between them over the day. Mama Mary cooks the meat, beans and fish and prepares the vegetables. She also prepares the *chai*. Mwanaidi makes the *chapati*, does the dishes and assists with all tasks. Mama Mary prepares the tables, takes the orders and serves the food according to the order. When the place is getting less busy, around 9:00 pm, she summarises what she needs to buy tomorrow, before she starts the closing procedures.

The best season is from May to October, making May and June the most beneficial months, and then she hires two assistants who do the serving and the washing, while she receives the money. One lunch or dinner plate is 2000 shilling and one cup of *chai* is 500 shilling. She calculates how much she earns for each food category per day, which totals around 90 000 shilling, but with variations over the year. The assistant earns 2000 shilling per day, which is the same amount of money as her household spends per day, so her total spending per month for the house plus the assistant is 120 000 shilling. However, the costs for her inputs and the rent are high, so she does not earn enough to save or to buy big quantities of inputs, leading to that she must go to the shop every day. According to Mama Mary, although she has a small capital, her business provides the profits that she needs, which was the reason why she started to work as a *Mama Lishe*. She has little education but is experienced when it comes to cooking, and as the needs of the family are small, she manages to support them all by herself.

They are seven persons in the household, and the family includes Mama Mary, her husband and three children, aged 9, 7 and 4. But her parents also live with them, and she gives some small amount of money to the parents as well. Two children are in school, and the youngest son, William, he is too young for school. He spends his days with his friends nearby the restaurant, and comes by every now and then to eat, or ask for money to buy a lollipop. From her business she earns enough money for the household so that she can solve the family problems, including paying for two of her children's school fees. There is no help to the business from nobody else in the family, as the parents are very old and cannot assist. The members of the family depend completely on her business, as her husband does not work or conduct any business, making their economic strategy completely reliant on Mama Mary. She is the one who makes the decisions concerning her business and the family's economy.

When she looks at her situation, she feels satisfied, but the satisfaction depends on her ability to make the food ready on time. To become more satisfied she wants to increase her capital so that she can produce dishes of an even higher quality and thus increase the prices and the

number of customers. If she had a larger capital, she would be able to buy large packages of two kilos of rice, flour, sugar, etc. If she could buy a lot at the same time she would not need to go to the market every day, which would decrease her workload. It would also be easier to calculate her profits with the big packages. So, the first thing that would improve her business is large packages of inputs. The second is to employ more assistants, which would move the business to a new state and secure it. She would also like to add drinks to her profits. The goal is to be the manager of her own formal restaurant and gain higher profits so that she could buy a better house for her family. She wants to provide a good education for her children and to help them, so that when they have finished studying they can find their own businesses. Her main challenge is lack of capital. Her capital is very small and the family depends on what is left of her earnings for their everyday needs. Increasing ones' capital is not easy. A loan from the government or another institution could be part of a solution, but it is difficult, as the interest rates are high. Another problem is that some customers do not pay for the food. If people in Babati would have a better economy, and if more tourists started to come, then her business would also benefit. Still she believes that nothing is impossible if you try hard and struggle. Mama Mary is convinced that women are a force in Babati's development. Women in Babati are very accountable and responsible; they work hard to improve the economy of the family. "We are fighters" she says with a confident voice. She is aware of her good experience and reputation, so she will continue with her business until she dies.

5.1.2 Fruit and Vegetable Seller Narrative

It is 6:00 o'clock in the morning and Amina starts her motorbike ride to the farm in the edge of Babati to buy the inputs for her business. She knows exactly what fruits and vegetables she needs for the day, and she prefers to buy it directly from the farmer to know that the quality is good and to get a better price. That is why she does this trip every single morning. Around 7:00 she arrives at Babati Market, *Babati Soko*, located in the very centre of the town, just when it opens. She prepares everything, cleans the area and arranges the new products with the ones from the day before. Carrot, capsicum, lettuce, onion, cabbage, coconut, aubergine, tomato, cucumber and avocado share the space on the big table. Some of the fruits and vegetables that she brought are for her mother, who has a business on the opposite table. They have separate costs and profits, but they do cooperate some. Her youngest sister assists them both, with no payment, and Amina does not take any payment for bringing the inputs to her mother. Her mother introduced her to this in 2004, so even though Amina is only 27 years old, she already has ten years of experience. Amina stays there until 6:00 pm when the market

closes. Then she calculates what she needs to buy the next day, covers the vegetables and leaves it there during the night. The location is very good, the market is a crowded, vivid place, with many women selling similar products, some also including domestic items such as kitchen tools. Some sellers arrive around 8:00, when the farmers come with the ordered products. She has all kinds of customers; fathers, mothers, children, plus some bigger ones like hotel owners. Amina's salary depends on the day's business; sometimes it is up to 100 000, but commonly 70 to 80 000 shilling per day. The earnings vary over the year, with the second half being the better one, and the most beneficial season is between October and December. Each day she pays 400 shilling for her table, as it is a big one. The smaller ones are cheaper, from 200 shilling. She considers her business licensed.

Some sellers come to the market to buy inputs. A woman named Edina, who has a small kiosk in Ngarenaro, at Singida Road, comes every morning and takes some time comparing prices and qualities, and she often buys from Amina as she has fresh fruits and vegetables early. That woman's business is of course less beneficial compared to Amina's. Edina spends around 30 000 shilling in the market, and by the end of the day her profit is often no more than 20 000. Edina was divorced some three years ago, which made her start a business to support her son and the son of her sister, who left when the son was very young. When she does the domestic work, which used to be her main occupation, her sister's son takes care of the kiosk, and then he goes home for dinner while Edina works until 10:00 pm. The circumstances of the saleswomen in Babati vary a lot. Others make huge orders that come by trucks, *loris*, from different parts of Tanzania. Amina knows a woman who sells fruits and vegetables at the square by the bus station, who makes huge orders at least twice a week, but who still has a lower salary due to the high costs of the transports, roughly 50-100 000 shilling per order. That woman has no license and does not pay to sell her fruit there. Three times a month there are government controls, and they trouble her and request her to leave.

Amina is aware of her advantageous position, but when she is asked about if she is satisfied, she laughs and shakes her head: "No I am not satisfied with my work, but if I didn't have it, what would I do?" Her dream is to leave this and open another business, a shop. She would sell rice, beans, oil, soap, flour, etc., and everything in large quantities to earn more. Of course she would like to be formal. Her objective is to earn more, expand life and solve the family problems. In her family they are three members; she, her husband and a child who is 8 years old and goes to school. They are five in the household, including her parents, but they live in separate houses. They live some 5-10 minutes away from the market by motorbike. Their

economic strategy includes Amina's business, and her husband is a butcher who sells meat in another market. They have separate businesses, she does her thing and he does his, but they share their profits and the economic responsibility. Sometimes their two salaries can satisfy their needs, and sometimes not. To achieve her goals and improve her situation she would hire an assistant to conduct the business so that she could have her shop. She wants to increase from small-scale to large-scale, but then she would need a large capital, which she does not have, and that, she thinks, is the main challenge that prevents women in Babati from making a career. To expand her business she needs a loan. Loans are easy to get, but the interest rates are huge. She is experienced and progressive. She sells good products, that are easy to sell, and the customers are satisfied. But yet the situation is difficult. Women deserve some support, so that they can perform even better. Women in Babati are very accountable. She is convinced that her own business and women's businesses overall do generate development for Babati. "All women in Babati are hard workers, they are fighters."

5.1.3 Fish Seller Narrative

Aziza is in the fishing business. She sells fish at the Babati Market, from 8:00 am until 6:00 pm. Before the market opens she prepares the fish at home, fries it and brings it to the market. Her customers are ordinary people, as well as *Mama Lishe* and hotel staff, who buy fresh and fried fish for their businesses from her. Sometimes an assistant delivers fish to them, whom she pays 500 shilling per transport. At times she has an assistant during the day, but most often she is alone. Her interaction is with customers who buy fish, but most people just pass by to look and ask for prices. The price of a fish depends on the size, varying from 200 shilling for a small, and up to 2000 for the biggest. A common income is around 40-50 000 shilling per day. Her capital cost can be 20 000 shilling, then she uses 5000 for oil and 5000 for char coal, so she uses 30 000 shilling from the earnings. She pays 200 shilling per day for the table, 6000 per month, but it happens that fish is sold in her home as well. Sometimes she is satisfied with the salary and sometimes not. Her everyday activities depend on if there is fish available. When it is not, she does domestic activities at home instead of selling fish. There are huge seasonal differences, so in the low season, between January and July, there is little fish in Lake Babati, and the fish are also small in size. During this period, it is illegal to fish. The combination of these factors leads to that she does not earn enough.

Aziza is 40 years old and divorced. She was born in Babati, and if she would get an offer to move, she would refuse it. The household includes seven people; she, her five children and her mother. All children are in school. The father has gone, so she is the only one responsible

for the business and the family's economy, and she does not receive any help. She is conducting this business since 1994, and there were no options for her when deciding on this livelihood. She sees the business of selling fish as simple; she can conduct it well and get content customers. When it comes to her satisfaction, it varies. The needs of her family are small, and she feels satisfied when she can provide it, but when the benefits are too small, she does not. Her only dream is to be able to solve the problems of the family and conduct her business every day. If she would have a big business, maybe she could buy a big house for her family. If somebody would help her in her business, the capital and income would increase, and so would the business. A large capital is needed to increase her business, which requires a loan, and the only way to get one would be through someone who can lend to her, like a rich farmer. But her conditions are challenging; she has a very small capital. Yet the biggest challenge is the lack of fish in the period when it is illegal to fish. She then buys from fishermen who go to other lakes, but it is risky to buy from them, because if the government finds out, you are fined. For this reason, the fish are hidden in the market, and the tables are empty, with price lists of invented products. But the local people know from whom to buy fish. This is all local knowledge, a system that the government officers do not know about.

Aziza has no family member who is a fisherman, but a friend is, who lives near Lake Babati, in the Kigongoni area. Their conditions are quite different, as fishing is a family tradition and basically the whole family is in the fishing business. The father is a fisherman and so is one of the four sons, and they fish together. The mother is the one taking care of the yield and selling it. All the four grandparents had the same occupations, so the techniques are being passed on from generation to generation. The mother works from early in the morning to the evening, starting by taking the fish home to prepare and fry it, before she walks to the market nearby. Often later in the day she walks back to the lake to buy fish from other fishermen. Sometimes there is not enough time to go back to the market, but most of the days she sells fish at home, as everyone in the neighbourhood knows that she sells good fish that they can get at any time. The best customers are the farmers, who are wealthy when the harvest is good, creating a high demand for fish and thus higher prices. The greatest fish supply is in the sunny months from August to December, making many people work temporarily within the fishing industry, so the competition is higher. Still she sells more than the others, as people know that she is experienced and that the quality is good. She is socialising with a lot of people, in total 70-100 persons per day; farmers, travellers, fishermen, customers, people in the market. Yet the daily earnings are usually between 25-50 000 shilling, but as it might take 2 or 3 days to finish the

fishing, there are days with no salary. Their income is too low for even considering licensing the business. The dream scenario is to go fishing in other lakes, like Lake Manyara and Lake Burunge, when there is a lot of fish. Then they could sell it to other markets as well. Going to other lakes to get large amounts of fish is called *hakeria*, which would help her to grow her business, earn more and become formal. But a great challenge, apart from the lack of capital, is the high competition, and the fact that other people do not like that she gets more profit than them. However, she thinks that her best opportunity to grow is if the agricultural sector grows, since if they harvest more they earn more, and buy more fish. In this way the economy of Babati is interconnected, and they all play their role in the development of the district.

5.1.4 Sunflower Oil Seller Narrative

Chiku is 22 years old and sells buckets of sunflower oil in a kiosk at the square by the bus station in Babati. It is the best possible location as it is always busy. She has different kinds of customers, but as it is located just by the bus station, there are many people from the villages. She works alone, every single day, from 7:00 am to 7:00 pm. When she arrives in the morning she cleans the buckets, fills them with oil, and arranges the table. The rest of the day she works for the customers, who start to come around 9:00. No time is busier; customers come over the whole day. By the end of the day, she looks if there are buckets to store, and calculates the number of buckets she needs to bring from the shop in the morning. There is no one who helps her with the business, but an assistant brings the oil from the machine near the Exim Bank, a stone's throw away. The sunflowers come from villages around Babati town, and the farmers go to the machine that produces the oil, meaning that she has no direct contact with the farmers. Chiku pays the assistant 200 shilling per brought oil bucket, and she orders 10 buckets per day, adding to 2000 shilling. She pays nothing for her kiosk as she is unlicensed and she does not pay taxes. The price of 1 litre of sunflower oil is 3000 shilling. The amount of buckets sold per day varies, so the salary depends on the day. If she is satisfied with her salary and her situation? Well, shortly – yes. The short answer is that she is satisfied.

Chiku was born in Kilimanjaro, but moved to Babati when she was 19 years old. She started the business right then, so she has three years of experience. It was her own decision, and she had no other plans. She did not attend school, and she chose this since it was simple and easy to earn money. Sunflower oil is a good product because everybody needs it for cooking. She does not conduct any other business. In fact, the whole family is completely dependent on her sunflower oil business as it, together with her older brother's salary from the garage, is the only source of income they have. They share the profits from her and her brother. Chiku lives

with her family, a household of 7 persons; her mother, father, she, and four siblings. She is the second oldest, and all the younger ones are in school. Their future livelihood depends on if they pass to continue education; if they do not pass, they will probably help her. But as it is now, no one helps her with her business. Their parents are farmers and the harvest feeds the family but is not sufficient for selling. They have a farm in Babati located 30-45 kilometres from the centre, but they all live in Babati town near the market.

Chiku's dream is to have a nice shop, "like that one" she says and points at a small shop behind her kiosk. If she got a loan, maybe from the government, she could increase her business and start a shop to sell rice, sugar, biscuits, fruit and drinks. Of course she would like it to be formal. Her biggest challenge is that government officers do not give these kinds of loans for people like her; they want to remove these small businesses. Every three months, the government officers have their controls, and they are always mad. They have to announce first, then they come. At least there are no controls from TRA. But she does not think it would be possible to get a loan, so her only chance is probably just to try to increase her profits. Chiku thinks that women's possibility to expand their businesses and create development depends on the type of woman. If it is a fighter, she will increase her business. But other women in Babati's businesses are not part of her development. She fights for herself.

5.2 Narratives: Formal Larger-scale Women Entrepreneurs

5.2.1 Mama Ally

Mama Ally is a symbol for women in Babati. She manages a number of larger-scale businesses, which are characterised by her social engagement in the situation of women, especially those with low education. She started as a *Mama Lishe*, with a small amount of capital, but managed to increase it and opened a new business; a petrol station. That business also became successful, and once she had increased the petrol station, she opened a guest lodge. She always wanted to increase her businesses, and her strategy was to open new ones as soon as she had enough capital. Now she owns four restaurants, three petrol stations, and the Ally Lodge, in Babati and Dar es Salaam. Her next project is to build a school, why she has bought 50 acres of land. She also bought 25 acres for a tourist camp, to extend the Ally Lodge. Due to these two projects she is in the process of registering a loan from the bank and the government, and she is taking action to add security to the whole business. Her main strategies have been to be accountable for each activity, and to protect the capital. She works 12 hours per day with different activities, and is participating in all her businesses to maintain control, meaning that she works in her office, in her petrol station, cooks, does farming, etc.

Mama Ally is 57 years old. She was born in Kilimanjaro and moved to Babati when she was 35. By that time it was difficult for her, as her husband had alcohol problems. But when she became successful, he shaped up, and now he runs his own businesses in Dar es Salaam. They have three children; two finished school, and one is still studying. She finds it important that her children do not depend on their parents but start their own businesses, but she will give them the opportunity to be employed by her if they want, but let them choose. She says that it is most common to have separate economies in a relationship, and that a greater part of the woman's salary goes to the family than that of the man. Many women have husbands with alcohol dependencies, and in those cases these tendencies are even clearer. In general it is easier for a man to expand his business, as he takes less responsibility for the household.

In the era when she started her businesses, Babati was the capital of a district, but now that it is the capital of a region, the situation has improved. Nowadays there are more visitors and travellers, which have increased the number of customers. This has also meant that you need a good business to compete. However, she has faced many challenges, such as lack of support from the government once she wanted to expand. Other problems have been due to unfaithful people. In the community there is a lot of jealousy involved, with people discouraging her and spreading bad reputations instead of rejoicing at her successes and learning from her. Mama Ally sees lack of education and capital as the two greatest obstacles for women in Babati, preventing them from having large businesses and making them remain with small, often informal, ones. Her contribution to this is to employ a lot of low educated women and girls, for them to work together. She sees the great potential in a girl who dropped out from school who is accountable and hardworking, and those are the ones that she wants to employ. She wants to boost up the economy of women who are not educated, who would have difficulties in finding a job otherwise. She would also like to give them the opportunity to attend school, so apart from starting her school for children, she dreams of opening a college for girls who did not get an education. Mama Ally wants to encourage them to increase their educational level, and to advise the small-scale women to secure their businesses, and once you start to earn more, you should employ more people and start a new business to be able to expand.

The government should support women's and girls' businesses. She complains about the Tanzanian government's inability to provide education, health care, security, infrastructure etc. to the people. That is why people here do not like to pay the tax that they should. And then there are the shortcuts to progress, that problems can be solved by paying government officers. Corruption is a huge problem. She mentions that the Tanzanian Chamber of

Commerce, Industry and Agriculture (TCCIA) is available to all people, but that there is no such organisation for women. She is convinced that a women workers' association would strengthen women and contribute to expanding their businesses. Mama Ally would like to have a leading role in such an association as a means to reach the women who struggle. As she has developed from doing small to big business, she wants to share her experiences and strategies to help them grow. She really hopes it will become reality. Mama Ally is hopeful about the future. Apart from her own goals, she thinks that the overall situation for women entrepreneurs in Babati is improving. According to her, Babati has good potential for tourism, and women have an opportunity to gain from tourism. It would lead to more employments and improve the conditions of women working as *Mama Lishe*, the ones selling fruits, etc. And if an association for women workers can support, their businesses will increase even more. "Women can do if they try. Because women have the ability to protect the money."

5.2.2 Mama Nelson

Mama Nelson is another success story of female entrepreneurship. She used to be employed for some time, as an accountant, and then she became a member of the National Social Security Fund (NSSF). Some percentages of her salary went to NSSF for future use, to which there was contribution from the employer as well. When she quit that job, she took the money saved in the fund and built a lodge. She started small, with three rooms. This was in 2005. Since then it has successively expanded, and now the lodge has ten rooms. She has taken step by step, with each step better than the proceeding one. She also has three conference centres. When someone has a conference, she provides conference rooms, accommodation and breakfast, lunch and night tea. This is important to her as she has a background as a cook, with a lot of experience from home. Her key to progress has been to ensure that the quality is always the best, regardless if it is the food, the decorations, or in providing any service to a customer. This is in order for the number of customers as well as the income to grow, as high quality deserves high prices. "That's the secret behind my success; people value their money with the good services that I provide, and when they are satisfied, they tell others. This is me."

A challenge that she meets is that there are not enough customers. The price negotiations can be difficult, because customers tend to try hard to get lower prices. Another problem is the price fluctuations and that there is no great variety of products in Babati, and at times products needed are not available. Mama Nelson is therefore moderately satisfied with her situation. But she is always busy, and her customers are very satisfied. She started small and is getting bigger and bigger, and believes she has good opportunities to continue to grow, considering

the increasing tourism and the building of the road. She works hard to maintain and improve the quality of the services she provides. The business is very well organised, with her staff divided in different sections, and most of the workers are women. She is the one who plans all activities for every day, and every menu. Her husband helps a lot, and any of them has to maintain control. They have two children. She wants a good education for them, and she wants them to help her to develop and expand her business.

Mama Nelson does not think that it is difficult for women in Babati to succeed with their businesses. It is all about commitment. There are no qualifications needed, you just have to be a fighter. As long as a person has some land and capital or a loan, she will be able to run her business. However, lack of capital is the greatest challenge that small-scale businesswomen in Babati face. The second one is bad management, and hiring a good manager would require a large capital. Yet she thinks that even small businesses should pay small amounts of taxes, and everybody should pay according to the kind of business they have. Otherwise it is unfair to the government. Another problem is that many women in Babati are divorced, and once a woman is divorced, she is bound to fight poverty, why she engages in small-scale businesses, such as a *Mama Lishe*. She thinks that a solution for women can be to form small groups, “Sacco’s”, Savings and Credit Cooperatives. Then they can cooperate to get loans from other institutions apart from the government. She has good experiences from this as she formed a group of five women which is still active. Every evening for a period of 30 days, they collect an amount of money, and once a month, one of the members gets all that money; 4 500 000 shilling. The purpose is to save money for future use and emergencies. This strategy is common in Babati, but the forms and the amounts of money vary. It can be challenging when you do not get any money, but overall it is a very successful way to solve the problem of lack of capital. Mama Nelson wants to convince any small-scale woman entrepreneur not to be afraid of doing any business that she wants. Once she has started her business, she should run it the best possible way, by making sure that the quality is good. That is the only way to get customers, even though your business is small. She thinks that there are great changes going on. “You see women conducting businesses everywhere in Babati, and these will grow.”

5.3 The General Picture – Presentation of Different Perspectives

This is the part of the results which presents the views of the general conditions in Babati. This section lifts the perspectives of a formal business manager, and then from six persons of the second group of respondents which comprises three authorities, two entrepreneurs and one politician. The authorities are: Mr. Gyunda, the Assistant Regional Manager at the Tanzania

Revenue Authority (TRA); Ramadhani, employed at The Tanzanian Chamber of Commerce, Industry and Agriculture (TCCIA); and Francis Lazaro, the Tourism Officer at Babati Town Council. The entrepreneurs are the key respondents Elias and Pendo, a married couple, both teachers and restaurant owners. The politician is Mosa, the General Secretary of The Umoja Wa Wanawake Tanzania (UWT), the organisation for women of Chama Cha Mapinduzi (CCM), the socialist party.⁸⁶ Their opinions and ideas are categorised into six themes.

5.3.1 Anna's View of Women and Development in Babati

Anna is a 29 year old woman who, together with her husband, manages a grocery shop, a cafeteria and a liquor store in Babati. When she described how she runs the business,⁸⁷ the network analysis developed into a conversation, and Anna shared her views about the overall situation for small-scale women entrepreneurs in Babati and their role in development. As it gives a rewarding contribution to the situation in Babati, Anna's thoughts are presented next:

Women have a very big role here. Women are really, really working hard, no matter if it is at a small- or a large-scale level. Especially you see it in the restaurants; they are only owned by women. And then we have the good examples; Mama Ally and Mama Nelson, they manage to go on and on. Men, on the other hand, they can be a bit stubborn. If men's businesses boom, they also boom. They start consuming, buying things for themselves. A woman prioritises a house; a man buys an expensive car. Some men work hard to expand their business, but they also spend more. Women take more responsibility over the family's economy. Even school teachers who work with very low salaries do something else, like producing pastries to sell, in order to help the family and find ways to increase its income. Women always make sure that the kids go to school and have enough to eat. They use their money in a good way, but it is difficult to make the money cover all expenditures. By the end of the day they suffer. Women are overrepresented in informal activities, which is a matter of taking risks. Men take those huge loans; women are a bit scared of that. Even a 500 000 shilling loan can help you, if you have a small-scale business. Many are not aware of that they can take a long-term loan, and many do not due to the high interest rates. Forming groups, Sacco's, is seen as a solution, but that is not necessarily the case. What do you do with the saved money? People spend it on things that are not productive, like a TV, and do not realise that it is for helping each other to grow the businesses, to maintain control, and to improve the management. But in the future, these women will grow. They have grown. It is a matter of time and education. Many women

⁸⁶ A more detailed presentation of the respondents and their responsibilities is found in Appendix IV.

⁸⁷ Appendix III contains Anna's narrative, based on the network analysis.

are comfortable with what they have, but they should be taken out of that comfort zone and be told that they can do more. I myself started to think like that: whom can I talk to? I was even thinking of talking to Mama Nelson or Mama Ally, as they are examples, showing that women can succeed. Women can teach other women. A problem with us women is that we compete a lot, just struggle for our own success. We must realise that when our businesses grow, the whole region grows, and then more investors come, and everybody benefits. For this you need continuous education. I hear people saying “I want a nice shop like this one”, but the whole town cannot have a shop like mine. You must create something yourself. Creativity is one of the most important things when you run a business. It might be difficult to teach creativity, yet short courses and seminars should be available, and associations could provide information. You can learn from others, such as the Maasai women in Arusha selling handicraft. Now tourism is starting to grow even in Babati, and small-scale entrepreneurs can earn from that. But women should stay in groups – to be on your own is not easy.

The opportunity for women to grow their businesses does however have some with men’s behaviour to do. Men are more ego; when they grow their businesses, they spend the money on themselves. If a woman manages well, then many men become jealous. Women are more dedicated to the family. If she grows, the whole family grows. And the whole society grows. There are some awkward situations that show the structures. I know several women who have been told by their husbands that they should not work, that they are not capable of managing a business. But that has been shown completely wrong. These women have become widows, and after the husbands have died, they have continued to run the business, which has started to flourish, and the women can do anything they want. Women should have courage to do bigger things. Women should have courage to not just work to maintain what they have, but also grow it. If you cannot control your spending, by the end of the day your remaining money will decline. A huge problem in Tanzania is that people spend too much. They do not realise that you cannot spend what you earn; you must save, and invest. You must plan and make strategies in order to expand. Then you will have a lot of time spending, once the business has grown. If you take a loan and do something productive with it, you will earn from it. You must be patient; you do not know how the business will go. Many people in Tanzania started from scratch, and they achieved a lot from moving forward and not spending in the beginning. This might be difficult, because once someone earns money, people expect that person to help others economically. When a number of persons are dependent on that income, it is not possible to invest. Even I and my husband have faced that, from relatives and

friends asking: “Can’t you do this and that?” But they do not know what you do to get here, that there are ups and downs. That’s how Africans are; you become like a clan. For us, in the beginning when we had started this business, we had relatives helping us, working here. But they did not realise that they had to work hard. It is much better to work with other people, to control your staff as workers, not as relatives. But the situation is changing a lot. Babati is really growing. Babati is a centre. It is a junction, between Arusha, Singida, Dodoma. Before men were telling their wives to work at home. Still today, this occurs to some extent. Among women who conduct successful businesses, there is a lot of jealousy among men, both from husbands, but also from other men in the community. A man and a woman usually have separate incomes and economies. Before, when a woman was making some money, it was like: “my money is my money”. Now sometimes the woman conducts the business, but the man still has all economic power. If you empower a woman, if she is educated and has an income – her share to society is completely different. It will make the whole society develop.

5.3.2 The Babati Economy

Agriculture is the most common livelihood, Elias states, which lots of people, and Babati’s whole economy, really depend on. Apart from agriculture, there are the small, informal businesses, but the bigger businesses are growing in number. There are various shops and restaurants, and an increasing number of hotels, related to the increasing tourism sector. There are also some factories which employ quite many, such as a sandalwood oil factory. Pendo says that it is noticeable that Babati’s economy is growing, as the number of formal businesses and services are increasing. There are more shops, more transport vehicles, and many more things which are contributing to the economic status. When Gyunda describes the economy of Manyara region, he also says that the majority are farmers. Many work with tourism activities, and there are many retailers of different kinds. He says that there are plenty of informal workers, and that there are traditions in Babati that make people continue with the family business instead of doing formal work. According to Ramadhani, the farmers in Babati are mainly informal because their cultivation is unregistered. They are taking the cultivation as part of their culture, and do it because their ancestors used to cultivate. Mosa says that the women in Babati are mainly farmers or conduct small businesses. Some are *Mama Lishe*, some work with groceries in small shops and kiosks. She thinks that there should be no differences between men and women, that both should work hard to increase their income, and for the development of their families and for society.

5.3.3 The Informal Economy – and Opportunities to become Formal

Gyunda says that the positive aspect of the informal economy is that it somehow contributes to the government funds, which are to enable the government to meet its commitments. The negative aspect is the ignorance of those who do not pay taxes. Not paying reduces the capacity of the government. Therefore, TRA's goal is to try to register as many as possible. Gyunda sees the high portion of informal workers in Babati as problematic and says that many informal workers work temporarily. TRA comes back each year for a control in order to try to solve the problem. They try to reach everyone, even in the interior areas, to convince them to register their businesses. TCCIA wants people to become formal, but, Ramadhani adds: "the problem is that you can't become formal if you don't have capital, and if you don't have collateral, you are unqualified to issue a loan from a certain financial institution." That is a big obstacle, which might be solved by forming a group, even though bureaucracy always complicates it. He also talks about the current economic growth, which impacts cannot be observed by small entrepreneurs or people of the lower class, but only by the big business people and the government. However, due to improved infrastructure, it is much easier to run your business in Babati nowadays, compared to a few years ago. TCCIA is working with both the district commissioner and the regional commissioner on finding solutions for the small-scale informal entrepreneurs to get licenses, because, he says, "in some other way around, they contribute to the economy." They have a project called "smart partnership" about that everybody, at every level, has its stake hold in the economy. TCCIA is striating to create funds to construct an infrastructure to make it easier to become formal.

Lazaro, the Tourism Officer, thinks that the informal sector is very important, as it is part of the whole chain that creates the economy, and says that "The informal sector is there, and it has to be there. They do have their contribution in the economy." He uses the example of women selling vegetables, that they are supported by people who buy from them, and that they support the farmers. This creates a chain, and contributes to economic growth. He points out that many of the big, profitable businesses in the world started as informal and small-scale, and refers to Mama Ally. He adds that what he calls informal is primarily the idea of going to formal, which he thinks increased tourism automatically will simplify for. He does however admit that the focus in his work is on reaching the big investors, with less focus on the small ones, as they are assumed to benefit automatically. But he does agree on that they should more actively consider the small, informal entrepreneurs when developing tourism. Yet before the implementation of a project, it must always be taken into account how the local

community will benefit and be affected. He sees it as challenging but important to reach the local, informal entrepreneurs to convince them that if they work hard, they will benefit from a certain tourism project, working with the things surrounding it.

The positive aspect of the informal sector that Elias highlights is that it really has given a lot of employment, especially to young people who have just finished school. But it contributes a lot to the economy as well, and despite that they perhaps do not pay revenue to the government, he thinks that the government gets revenues indirectly, through the products and services they sell. The informal economy he sees not only as positive for the economy as a whole, but also in the sense that it has been a way for a lot of women to participate in paid work and not just do unpaid domestic work at home, as the tradition says. Now that women contribute, whole families gain through the increased incomes. Elias does not see much negative aspects. Instead of seeing it as a weakness, as many do, he thinks that the informal businesses need to be recognised and registered by the government, and they need support from the district, especially the Trade Department. Such support could be training of how to do the business better. Pendo sheds light on the different opportunities between girls and boys who quit school early. The alternative for them is to start some kind of informal business to earn money. Many boys earn money through motorbike transportation, *bodaboda*, and some start to work as day labourers, within farming or in barber shops, for instance. For girls, it is mainly food-related businesses such as selling fruit or being a *Mama Lishe*. But it is obvious that the areas for boys are much easier to earn money from than the ones for girls. Boys who succeed in the motor biking can sell their bike and buy a *bajaji*⁸⁸, and increase their income further. Education is a way to decrease the portion of informal workers, Pendo thinks.

5.3.4 The Role of Women in Babati's Economy – the Past, Current, and Future

“Just go to the Babati Market and you will see that most of them doing businesses there are women. They are selling fruits, vegetables, fish, and varieties. By doing so, they are struggling to meet commitments, so that people, instead of going to a *shamba*, a farm, can just go to the market and have the product they need.” Ramadhani says that these women are contributing to the economy, but meanwhile they are the ones who take care of their families. Even by taking their children to school, they are contributing to the economy, directly or indirectly. Ramadhani exemplifies by simple economics: the women in the market are selling things, and for that they get a certain income, and by the end of the day, they are going to spend it somewhere else. “So, they are circulating the economy. They are the customer in

⁸⁸ A *bajaji* is a motor-driven three-wheeler which is a common means of transportation in Babati.

some other way around.” In this way even very small-scale, informal businesswomen contribute to the economy, and to development.

Nowadays, things have changed in Babati. Pendo says that what we are seeing now is women doing paid work a lot more, especially for taking care of their families. Their economic responsibility is increasing; women are not just staying at home anymore, waiting for the man to bring money and food. Huge changes have occurred only the past five to ten years, and there are more changes coming. She thinks that it is easier for women to conduct businesses now, and says that women are not shy to do even “simple businesses”, like selling vegetables, fruits and working around the bus station, which men might be. Among the *Mama Lishe*, she thinks that most women stand on their own, but among the bigger businesses, it is getting common for women and men to run it together.⁸⁹ Pendo is happy about this development, but makes clear that it is very important to make sure that women’s businesses can grow. This can be done by providing different kinds of support such as loans, in order to increase profits. Elias confirms the perception of Pendo, and says that over the past ten years, the number of women doing both informal and formal businesses has increased. Before that, women’s involvement in the businesses was not common, almost like a taboo. He continues: “But now small-scale, wealthier women are coming up, and if you look at Mama Ally and Mama Nelson – it never used to be like that.” So there have been a lot of changes, and big changes are going on right now. He mentions a woman constructing a guest house, and says that a lot of women own big shops and restaurants, which are growing its volumes of business. Mosa is of the opinion that even while the small-scale, informal women are waiting for their businesses to grow, they can at least get a small income. They have to fight hard to increase their income. She confirms the view that the situation for women has changed, and that there is a change going on. She puts it this way: “Before women were conducting domestic work. Today they have small-scale businesses. In the future, women will conduct big businesses.”

5.3.5 Women’s Role in the Household and the Family

According to Elias, women take care of the household in most cases, whereas many men “just leave the house without even knowing what the children are going to have for breakfast.” There is a say in Tanzania that “men are on leave half of their lives.” It is the women that are responsible for the household, and traditionally, the children are the women’s children. These gender roles have to do with behaviour and attitudes, but Elias thinks that it is beginning to

⁸⁹ Her own restaurant business is one example, which she runs with her husband. The two respondents managing shops also share it with their husbands, whereas all the informal respondents manage their businesses alone.

change; that men will stop discouraging their wives' businesses, and that women will stop preferring to be dependent on their husbands. He brings up several examples of women earning the larger part of the family's income, and he adds that the important thing is that the men support their wives. Gyunda stresses that the economic responsibilities depend on the families, but that it is common that men take the position of paying most of the household's expenditures. Mosa agrees, and says that for married women, the economic strategies depend on the family. According to her, Tanzanians have a tendency to think that men should take care of the family economically, so the man generally contributes more to the family's income. It has however been discussed among the respondents that women are contributing more. Women's increased economic responsibility for the family has a backlash; it becomes harder for women to grow their businesses, which makes them continue at small-scale level. This is Pendo's explanation, and she continues with that women do not get enough profit from their businesses but only manage to pay for food and shelter, and few can afford to pay their children's school fees. It is more common for men to do bigger businesses, and it is easier for them to expand. Pendo has the impression that men often pay the school fees, which is one fixed amount per year, but that women must provide all the day-to-day needs for the family. She also perceives that in most relationships, the man and the woman have separate businesses, incomes and responsibilities, and do not share their profits. She knows that there exist cases where the woman is the only breadwinner and the man does not work, but she does not think it is common. In those cases she finds it likable that the man is addicted to alcohol, which is a very big problem, especially for the younger generation under 40 years old. Mosa confirms that there are some families in which the husband does not work and they depend only on the wife's business and with the woman having all responsibility. She thinks that in Manyara region it is quite common, and that the reason why these men do not work is a behavioural problem, but adds: "or maybe he is a drunkard."

Mosa explains that young girls who live with their parents perform a lot of domestic activities, like washing clothes, cleaning the house and cooking, and of course girls have these duties a lot more than boys. Some girls work as house girls, performing domestic activities in another family's home without payment, in return for food and accommodation. There are no good reasons for girls to quit school, Mosa thinks, but some may quit early to get married, and there still are families who only send their sons to school when they do not have money for education to all children. "Quitting school early is bad both for girls and boys and leads to a future with bad opportunities and bad livelihoods for both genders" Pendo says, emphasising

the many early drop-outs from school among girls. One reason she mentions is low education among parents, hindering them from seeing the importance of going to school, especially for girls. They also depend more on their children, mainly for household activities, which are girls' responsibilities. This is a reason why girls do not get enough time for studying, and eventually they quit. Apart from lack of support from parents, another common reason is involvement in peer groups, and devotion to alcohol, smoking, or prostitution. Yet Pendo says that the situation has improved even regarding this, and today more and more girls are going to school, which is very important for women's empowerment. Elias is convinced that the number of years of education has a great impact on a woman's opportunities to make a career, and agrees with Pendo on the options of young women and men who quit school. Young women commonly get employed in a restaurant, a bar or by a *Mama Lishe*, while young men work with the *bodaboda*, the motorbikes, and often expand to become distribution drivers.

5.3.6 The Main Challenges of Women Entrepreneurs in Babati

Lack of capital is agreed to be the main challenge that small-scale, informal women entrepreneurs face. Gyunda thinks that women are kept to small businesses as most of them do not have enough money for the business. He gives a negative answer to the question if the amount of capital available for women and girls is sufficient to pay for the tax that TRA requires. He adds that women are locked into non-registered businesses since they do not earn the benefits from the taxes. Ramadhani thinks that a reason why women are overrepresented in informal economic activities is that, according to the African tradition, women do not have access to physical assets, which is especially clear in heritage issues. This perception is still present, preventing women from access to capital. He also thinks that most husbands do not want their wives to conduct businesses. "That is a challenge of our time", he says. Also Elias thinks that the main challenge is lack of capital, and if women do not have support from their husbands, it is really hard for them to run a business. Another huge general challenge is the community's attitudes towards women; people think that women are weak, that they cannot do business. Men are still more privileged, Elias says, and the fact that the man does not take care of the children and the household means that he can go for further studies or expand his business at any time, even if his wife is pregnant or they have small children. There are obstacles that only women face, and these prevent them from growing their businesses.

Mosa is on the same explanatory track. She thinks that the lack of capital is a great challenge, and mentions the problem of women not having access to a proper location to conduct their business. Another broad problem is that there are not proper areas for women's production, as

farms are not owned by women, which means that they cannot conduct farming activities to earn money. Sometimes the loans provided are successful, but sometimes they are not, because the interest rates are very large. The large interest rates are one of the greatest challenges for women. Elias agrees, and the same day as the interview, he had talked to an agent at the NGO “Pride”, who told him that the interest rate is 2.5% per month. “Tanzania is the country in East Africa with the highest interest rates, I think”, Elias says, “making many afraid of taking a loan.” Mosa adds that some women who form groups experience unfaithful group members, and that men discourage women to engage in these groups. Mosa says that the fact that men represent women in the formal sectors is a reason to the overrepresentation of women in the informal economy. She explains further that in Manyara region, women have no voice to speak to the people, that they are shy and discouraged by their husbands or other men in the community. This has the effect that many women do not feel that they can do formal successful businesses. Mosa does however think that these gender roles will change, and these behavioural patterns are something that UWT is working hard on to change.

The greatest challenge for women conducting informal businesses, according to Pendo’s opinion, are their men. A lot of married women face heavy pressure from their husbands, who do not want their wives to walk around alone, leave home early to go to work and come home late, and therefore do not want them to have their own businesses. This is a huge obstacle that constrains women’s businesses. The family status is countervailing. She does however think that these patterns are changing, especially since people become more educated. The lack of capital forces women to escape from paying taxes, making many of them remove the signs of their businesses. The other day, Pendo saw officers from the Town Council walking around the town, collecting taxes from every single sign of a business. Pendo talked to a *Mama Lishe*, who said that they had forced her to pay 35 000 shilling, which was a lot to her. Pendo expects the government to come up with another strategy to collect money from the informal entrepreneurs. The lack of capital is also the reason why most women do informal businesses, as they cannot afford to register their businesses and make investments to expand. This is related to the nature of the businesses that women traditionally are doing, which are much less benefitting compared to men’s livelihoods. But changes are occurring, and now women try to find new ways to cope with the situation, and it will be successful, Pendo thinks.

5.3.7 Solutions to Improve Informal Women Entrepreneurs’ Situation

Elias thinks that first of all, the small-scale, informal entrepreneurs must be recognised, then identified, and then they need to form groups, not informal but formal ones, and thus get

loans. By forming a group of five, ten or twenty women with a binding contract, the obstacle of absence of collateral can be solved, as they together have assets. Another option is to get a loan through microfinances. Elias mentions “Pride”, one of the biggest financing institutions in Tanzania, which provides loans. One can get loans from a Village Community Bank (VIKOBAs) or a Development Community Bank (DIKOBAs). Pendo is a member of several VIKOBAs, one at her school and three with her neighbours. Most of these groups are informal, and he thinks that they should be formal. But the solution is people coming together, so a women workers association would be a good thing. The obstacle of high interest rates is trickier to tackle, and Elias thinks that the only way is to change the laws, and that the bank of Tanzania needs to regulate the interest rates. Moreover, education is important, and he wants to see more kinds of business training, available for small-scale entrepreneurs. Pendo also stresses that the government should support small-scale women entrepreneurs, and that micro loans should be provided. But as a main problem is the large interest rates, the government should reduce the rate, and in doing so, giving women priority. Something that Pendo says has contributed to the fast recent empowerment of women in Babati is the Sacco’s. It is very common for women to participate in these kinds of small groups to access loans, and it has helped women a lot. When Mama Ally’s idea about a women workers association is brought up, Pendo thinks that it would be good, but that education is needed for it to work.

According to Lazaro, an opportunity for small-scale women entrepreneurs is increased tourism, which would develop the whole region at different levels. For example, if someone opens a hotel, it demands direct employment for construction and operation, but also raises the number of customers to *Mama Lishe* in town, saleswomen and other small businesses. “We would make changes. You can imagine how much one tourism project would multiply to the local people of a particular area.” He thinks the opportunities for increased tourism are good as Babati is growing and the number of visitors increasing, especially due to the advantage of the newly built tarmac road, part of the so-called C2C, Cairo to Cape Town Road. Babati is under transit, and he has seen a lot of changes during the five years he has been working there. The local community would gain, and Lazaro would like to see local, small-scale entrepreneurs participating in touristic activities, to give tourists an opportunity to eat local food at a *Mama Lishe*, go canoeing or do a hippo safari with the fishermen. He admits that it is inevitable that multinational companies “enjoy the big part of the cake”. Big profits may go outside Babati, but small-scale entrepreneurs will still have a great opportunity to develop and expand. He ends by saying that Babati is on “the right track, the

right direction.” Pendo thinks that increased tourism would be a good opportunity for local women to get employment, but does not think that local women would be involved from a professional perspective, as it would be driven by people from outside Babati. Locals would be employed with things that do not demand education, such as gardening, cleaning or washing. Tourism would not involve everyone in Babati, but to some extent it would help.

Gyunda comments the opportunities for women to expand their businesses and become formal entrepreneurs: “Of course the opportunities are there. The problem is to try, and act.” He thinks that the best way to improve this is encouraging them to form groups to get loans, which is done at a governmental level as well. The problem is that few of them might meet the conditions. From his perspective, the future depends on how people respond to TRA’s education and messages. He hopes that they will respond positively, and as the economic climate is conducive, he expects people to act so that the number of tax payers increases. Ramadhani is very positive to the many women organisations that have been created, and believes it will generate results, forming institutions for women to represent their fellow women. He thinks that local traditions and social norms are not as strong as one may think. The situation has moved, and it has reached a point whereby women are in a good position. If he would give an advice to a small-scale female entrepreneur, it would be: “You can do whatever you want.” Ramadhani says that within a few months, TCCIA will create a Business Centre in Babati, which will be a great opportunity for entrepreneurs across the region to boost their lives and incomes by going there to invest. But, he admits, it will not solve the problem of lack of capital, as it will only be utilized by people with capital. He says: “By that time, the economy is turning over. It’s becoming a sort of a capitalist economy; money speaks with a loud voice. You see, if you don’t have anything, you don’t deserve anything” and refers to the negative way in which the government views informal entrepreneurs. He concludes that the big challenge is access to finance, as people do not have physical assets.

An idea that the UWT has to improve women in Babati’s opportunities to conduct and expand small, informal businesses is to find a way to provide loans with small interest rates to women that to use over one day, and return by the end of the day. This would be provided to the party members. It is now in the planning state, and Mosa thinks it would be an efficient tool. They also have the plan to create a women worker’s association, and have sent the plan to other government leaders. This organisation would be shared between the CCM and other political parties in Babati as well as some NGOs. Mosa ends the interview by saying: “If you support one woman in a family, she will be in the position of supporting others to develop.”

6. ANALYSIS

The analysis has two sections, where the first one is directly related to the results, and the second has a more theoretical character. From the results it is clear that most of the informal women entrepreneurs' opinions and perceptions are being confirmed by the respondents sharing their views of the general picture about the conditions in Babati. Women are fighters, they work hard, and they contribute to Babati's development. The interviewed women may be categorised as informal and small-scale, with "low status" livelihoods. But there is an apparent pride among them, a convinced awareness about their contribution to development, although they first seem to see their responsibility for their family. Yet they all have a will to expand their business and become formal, larger-scale entrepreneurs, but there are aspects of the economic, social and gender-related conditions that make this a complicated issue.

6.1 Analysis of the Results

6.1.1 The Challenge of Lack of Capital

There is visibly a great need for capital in Babati and lack of capital is undoubtedly a big challenge facing women conducting smaller-scale businesses, which all respondents agree upon. The lack of and need for capital is very clear in the narratives as well as in the second result-section. Lack of capital means absence of assets and collateral, which creates bad conditions for taking a loan, excluding poor people from financial markets. The problem is that the social structure cannot provide capital to small-scale businesswomen; expansion is a matter of capital and collateral. Furthermore, few women think of loans from formal institutions as a solution due to the high interest rates. Their response is to take the matter into their own hands by forming groups, Sacco's, and thus create alternative financial institutions to improve their entrepreneurship. Some of the interviewed women have own experiences of organising women groups for financial purposes, and it is brought up by most respondents as an important tool to increase women's empowerment. The Sacco's are referred to as one of the main reasons why women have managed to start businesses in the past years, in spite of all challenges. A related issue is microfinance, which has been shown to affect gender roles, through changed decision-making responsibility over resource allocations.⁹⁰ Empowerment of women increases their economic and political power,⁹¹ a perspective that should be included in all kinds of strategies for economic growth and pro-poor development.⁹² The results of this

⁹⁰ Arku and Arku, 2009

⁹¹ Keating, Rasmussen and Rishi, 2010

⁹² Mayoux, 2010

thesis do not contradict this gender-based part of the theoretical framework. Also, the fieldwork in Babati seems to confirm earlier findings that access to finances between women and men is unequal. When financial services assume men to be heads of the household, it strengthens the informal rights and control of men, and weakens those of women. For this reason, it is of great importance to go beyond the expansion of financial services. To achieve gender equality, financial products and services must be designed so that they strategically make sure that women's access actually causes increased empowerment and wellbeing.⁹³

Myrdal's view fits to the description of the bank sector as unfavourable for poor people. One of his conclusions is that the allocations of capital must take place over different sectors, which any national development plan needs to secure.⁹⁴ Hydén is of another opinion, blaming the economy of affection for creating inefficient outcomes and thus prevent a functioning market economy. He does, however, realise that the networks of the economy of affection provide informal forms of savings and credit grant to people who would not have had access to it otherwise.⁹⁵ One aspect of this, which is brought up by some respondents, is the possibility to get a loan by local capitalists, such as rich farmers, that operate in Babati.

6.1.2 Regional Development and Tourism

Babati is marked by an extensive agricultural sector, which affects the economy at all levels. The informal economy dominates, and its benefits are directly related to seasonal differences of the farming activities. Apart from lack of capital, the respondents point out other economic challenges, such as price fluctuations and instable pricing. Poverty of the overall population of Babati makes it even harder to expand a business. The huge seasonal differences in demand figure with differences in supply, as products are often unavailable in Babati. These material shortages are successively decreasing due to improved infrastructure and transport conditions. This can be related to Myrdal's thoughts of inequality and regional development. There are regional inequalities in Tanzania. Most respondents compare Babati to Arusha, depicted as an example where trade, businesses and tourism flourish and function well. However, Babati is, according to all respondents, in a current developing process. Babati is a junction - is it turning into a centre? The fieldwork does not contain enough information to conclude whether there are or will be "backwash effects" on other localities due to expansion of Babati, but there is an optimism among the respondents that rather appears in line with Myrdal's "spread

⁹³ Ibid

⁹⁴ Myrdal, 1957

⁹⁵ Hydén, 1985

effects”. Hopefully, as a result of improved infrastructure and strengthened linkages between the regions, the positive effects can spread from cities like Arusha to Babati, and out to the rural areas, reducing inequalities and increasing development. A way to start a cumulative process of circular causation is to place a hotel in Babati. Increased tourism is seen as an opportunity for development of the community, shared by the informal women entrepreneurs as well as the larger-scale ones and the authorities. Local-based tourism could be a way to increase earnings of informal entrepreneurs too, but then it must be incorporated properly. A respondent shows some scepticism to the possibility of gains for informal workers from hotels run by multinational companies. It would create working opportunities, but the big profits would leave Babati. This can be linked to Hydén’s notion that multinational companies’ capability of affecting local people’s behaviour is limited to small groups, without affecting the great masses.⁹⁶ Also, there are linkages to the feminist economic approach, where global capital, mainly by multinational companies operating in low-income countries, is claimed to be based on existing gender norms that construct women as “docile workers.”⁹⁷ But with proper strategies, Babati’s informal urban economy could be a potential force of innovation to make gains from the tourism industry to actually stay in Babati. This would be positive for the development of the region, as well as for the small-scale, informal entrepreneurs.

6.1.3 The Challenge of Lack of Education and Training

Lack of education is another challenge that everyone agrees to be one of the main problems. Early school drop-offs among girls and boys are still quite common, especially for girls, due to high responsibility for household duties. For them, the informal economy remains as the only alternative. Some say that it is easier for young men to make money informally. Most of the interviewed informal women entrepreneurs say that their educational level is low, and that their current livelihood turns out to be the best possible. The lack of professionals in Babati overall becomes problematic for the employers, which the larger-scale entrepreneurs bring up, and this lack of supply makes many employers search for workers in other districts. Higher levels of education increase the skill-level, and for women, this is one of the most important factors to making paid work possible and desirable.⁹⁸ Education is a driving force for girls to reach their goals and become competitive and self-reliant. Even though education is related to increased empowerment of women, one can state that entrepreneurship is not taught in school, that other qualities are of importance, such as creativity, and commitment. However, another

⁹⁶ Ibid

⁹⁷ Rai and Waylen, 2014

⁹⁸ Kabeer, 2014

way to increase the overall skill-level could be more vocational training centres and seminars. There exist a few, but they are very expensive, so by making them more available for poor women, they can increase their capabilities of managing their business better. The larger-scale entrepreneurs interviewed express a will to participate in helping small-scale businesswomen with management advice. Spreading knowledge and experiences from successful women could be very inspiring and useful for small-scale entrepreneurs.

6.1.4 Political Challenges, Taxation Issues and the Reproductive Bargain

Deficient functioning of the government is another problem that many bring up, as it does not deliver welfare solutions and is highly affected by corruption. A contributor could be lack of state resources, and Hydén illustrates this by stressing that the informal entrepreneurs who do not pay tax cause deprived resources for the government, which is problematic. One respondent declares dissatisfaction about the “ignorant” attitudes among people in Babati when it comes to tax-paying. But the explanation to the tax-resistance is simple: if you do not enjoy any benefits from the taxes, then you do not pay any tax. It is a matter of motivation that is based in faith to the government. And, of course, for some people, not paying tax is not even a choice; they simply cannot afford it. Poverty creates economic inability to pay the tax.

The government has a responsibility to design policies in order improve the levels of living of the people, and according to Myrdal, each country should have a national economic development policy, with directives of how to spread the allocations of capital over different sectors.⁹⁹ This top-down approach is thus connected to the bottom-up one. Another theoretical concept that brings together the top-down and bottom-up perspectives is the “reproductive bargain”, emphasising the key role of the state concerning its potential to provide resources and support for reproduction. The reproductive bargain is about the division of responsibility between actors; the worker, the employer, the community and the state, meaning that the responsibilities are not fixed, and that relations of production and reproduction are interlinked.¹⁰⁰ The conclusion that state policies form the ways in which women’s labour power is employed and reproduced can be related to the situation of the interviewed women. When the state does not support them successfully, women take the responsibility of reproduction through unpaid domestic labour. But when they start paid businesses, they remain informal because of miscellaneous challenges that the state does not combat. A conclusion that can be drawn is that the state has the potential to improve women workers’

⁹⁹ Myrdal, 1957

¹⁰⁰ Pearson, 2014

situation, but also that women's voice and activism is very important in the reproductive bargain to affect its outcome for women's productive and reproductive conditions. Various respondents confirm this view, by saying that men represent women in society and in the economy, that women leadership is needed, and that women groups make huge differences. They further say that economic investment is not enough, but that the gender-subordination results from deficient political efforts, as well as cultural norms. In other words, action taken "from below" is important for women empowerment in the same way as action taken "from above", or at any level. The planned creation of a women worker's association in Babati can be seen as a tactical move in the reproductive bargain.

6.1.5 Women's Opportunities to Conduct and Expand their Businesses

There seems to be a consensus about that now is a positive era, that a development process is taking place in Babati and that a lot has happened regarding empowerment and opportunities of women. The officers (TRA, TCCIA, tourism) and politicians (CCM) of Babati try to make sure that the opportunities for women entrepreneurs are as good as possible. The situation has changed a lot recently, over a period of roughly five to ten years, women in Babati have started to conduct businesses to a much greater extent. There is a patriarchal tradition of separating incomes of men and women, and some years ago it was not socially accepted for women to work outside the home. These strong patriarchal structures are being challenged. Now that women are proven successful, families' dependencies increase and women take a more active role in the economic strategies. Empowerment of women is increasing in Babati, and people are convinced that it will continue to change. This goes hand in hand with the picture of the changing conditions of the global economic integration, which has pushed women into paid work, both within the formal and informal economy.¹⁰¹ The "feminisation of employment" thus seems to include more groups of women than those employed in export factories, showing that women have done with informal jobs without the many benefits of a formal job.¹⁰² An explanation is that women have become the "flexible labour force" as they do not have the fixed costs of organised labour, which have limited their options, weakened their bargaining power and resulted in a lower salary than men.¹⁰³

The impact from gender roles on women cannot be mistaken. Respondents find that women's opportunities to grow their businesses have some with men's behaviour to do. Men are

¹⁰¹ Kabeer, 2014

¹⁰² Pearson, 2014

¹⁰³ Kabeer, 2014

described as more ego, more lavish, and also jealous about their women when they succeed well. Women are described as more dedicated to the family, with stronger tendencies to invest in the children and higher ability to protect money, in contrast to men, who spend more on themselves. This fortifies Mayoux's point that a response among men to women's increased, but still low, incomes is to spend more on their own luxury consumption, taken from the household budget. Furthermore, increase in women's access to income may cause heavier workloads, more stress and reduced health, and contributing more to the household income does not necessarily mean that women's wellbeing or the gender relations are improved.¹⁰⁴ Many men are resistant to their wives' businesses, which the respondents see as a common and serious problem. Many men do not have faith in their wives to do business and do not encourage them to make business investments. This is a behavioural problem among men, contributing to feelings among women of not believing in themselves. Even though all women interviewed dream of expanding their businesses and become formal, the respondents who share their general views of Babati say that these women should have more courage to do "bigger things". It is here important to remember that gender roles are social constructions, and so they can change, and the respondents think they are changing. It is obvious that the women entrepreneurs of Babati cannot be viewed as victims but must be seen as capable and valued economic actors.¹⁰⁵ Of course, their individual experiences and conditions vary, depending on their capital, if they are formal or not, their family situation, networks, etc. Life course, social context and local opportunity structures¹⁰⁶ affect women's opportunities to conduct and expand their businesses. If women invest relatively more in the family than in the business than men, it should slow down the rate of the business expansion. But it can also be interpreted to lead to faster development through reproductive gains like increased education.

6.1.6 Women's Role in the Household, Gender Roles and Patriarchal Structures

There are no doubts that women in Babati, even though taking paid work to a much greater extent, still have the responsibility of the domestic work of the household. The feminist theory adds to this result that it acts to secure the reproduction of the family. The theoretical framework includes the notion that women have kept their social position as women, which is inferior to men's position regarding political voice, access to resources and opportunities, and power in intra-household decision making.¹⁰⁷ The root to the problem is the fact that women's

¹⁰⁴ Mayoux, 2010

¹⁰⁵ Ibid

¹⁰⁶ Kabeer, 2014

¹⁰⁷ Elson and Pearson, 1981

work burden is larger as they are bound to unregulated, unpaid work in the domestic sphere. This work contributes to the reproduction of the labour force, together with health, education, food and other daily expenses, which makes up a great cost. But the full cost of reproduction of labour is never covered by the wage, resulting in a theoretical explanation that the contemporary production system depends on women's unpaid reproductive work.¹⁰⁸ There is thus an internal logic within the domestic sphere of reproduction of human life and labour that is connected to, but to some degree independent from, production for the capitalist market.¹⁰⁹

From the interviews it is obvious that women's position and decision-making responsibilities in the household and the family have changed recently, and that the contemporary situation shows a continuous increase. With higher incomes and greater contribution to the household's economy, comes a greater responsibility to play a more active role in the decision-making and financing of the family. This is synchronised with the gender-based theories, and corresponds to the analysis about the rise of the female breadwinner. The gender roles expect men to be breadwinners, which is consistent with their participation in the labour market, whereas women are expected to be responsible for unpaid, non-commodified work of reproduction within the home. Both men and women are trying to adapt to the new situation where women are taking the breadwinning role, and many men have difficulties in accepting increased economic power of their wives.¹¹⁰ Some respondents confirm that this is the case also in Babati. The fact that women do paid work to a greater extent has not been at the expense of the gender roles, leading to that women generally combine paid work with domestic responsibilities. This "double-edged sword" for women does however not need to imply a crisis in social reproduction, but it could represent a transition to new ways of organizing it.¹¹¹ The "crisis" is of masculinity, as men's control over women has decreased in the postcolonial epoch as a result of domestic struggles over labour and income.¹¹² The crisis does also refer to the patriarchal authoritarian position of the man; it is not men's role that is threatened, but their role as breadwinners is changing, and their absolute power is threatened.

Any social change comes with changes in attitudes, somehow. The male resistance to women's paid work is in theory a result of emotions of worry about if people think they are suitable as breadwinners, and that their wives would stop doing the unpaid domestic work. Earlier studies are commonly based on wage work, but there are studies that show male

¹⁰⁸ Pearson, 2014

¹⁰⁹ Kabeer, 2014

¹¹⁰ Ibid

¹¹¹ Ibid

¹¹² Perry, 2005

resistance to women's informal activities.¹¹³ This corresponds to the results of this fieldwork. Thoughts of male resistance are expressed among respondents who share their view of the general social patterns of Babati, and it is agreed on to be one of the greatest challenges that women entrepreneurs face, especially the small-scale, informal ones. A change in mind-sets, attitudes, norms and behaviour is requested from the respondents as well as the feminist economic perspective, in order to break the systems of male dominance and female subordination. This can be achieved through effective strategies that encourage changes in men's attitudes and behaviours, which, apart from being essential for women, would be positive for economic growth and poverty reduction overall.¹¹⁴

6.1.7 Women Networks and the Economy of Affection

From the interviews it becomes clear that women have complex networks based on reciprocal services. There is a perpetual and palpable solidarity among the businesswomen, both small-scale and larger-scale. The networks exhibit complex patterns of cooperation, exchanges and strategies, indicating that the economy of affection in many respects exists. The role of the informal networks is enormous. It is visible from the girl who delivers fish to the hotel; the daughter who brings fruits and vegetables from the farmer not only to her own business but also to her mother; the boy who runs the kiosk while the manager and single mother is home cooking; the young man who delivers sunflower oil to the young saleswoman at the bus square. For this to work, faith and solidarity are required, and a great amount of flexibility. The interviewed women work 12-19 hours a day, but seem to live their social lives at work, so the distinction between work and leisure time is less distinct. Myrdal lifts the importance of solidarity by stressing that poor countries can gain if they join hands and pool what they have of bargaining power.¹¹⁵ It seems to be valid for individual women as well, that they gain and strengthen from cooperation and from forming groups. The view of firms as bounded entities that are both "separative" and "soluble" is problematic, as it limits the assumptions about how firms operate. It neglects the importance of relations and values, which causes a serious bias with gendered roots. Webs of individuals-in-relation of social and ethical consequence should be assumed as parts of firms and markets, and accounted for in conventional economics. Then it becomes apparent that both firms and markets are human constructions that are shaped by human efforts.¹¹⁶ This is important to keep in mind, as informal female entrepreneurs, who

¹¹³ Kabeer, 2014

¹¹⁴ Mayoux, 2010

¹¹⁵ Myrdal, 1957

¹¹⁶ Nelson, 2003

never operate solely but interact with many people, do this as a result of conscious strategies. Their businesses are results of the energy and efforts of intelligent people, who are taking actions to maximise profits in order to improve the situation and the opportunities of their families. Myrdal highlights that the potentialities of human resources must be utilised in such a way that it creates an upward cumulative process and economic development.¹¹⁷

Hydén thinks that Africa's inability of developing is because accumulation of capital does not occur due to local norms and traditions, preventing the creation of a capitalist structure. The source to the problem is the economy of affection, as resources spent on social maintenance could be used in a more productive way,¹¹⁸ such as investing in small-scale businesses. The economy of affection is indeed characteristic of contemporary Babati, but rather than seeing it as a "break block", this thesis suggests to see it as a driving force in development; the kind of development that trickles up, from the small-scale, informal entrepreneurs to the top. Hydén speaks well about the entrepreneur, but what is left out from the discussion is that being an entrepreneur does not contradict the economy of affection; an entrepreneur can be active even in the informal sphere, it is not the level at which he or she operates that defines the entrepreneur. Entrepreneurship is always important. Furthermore, the informal women entrepreneurs interviewed in this thesis show no signs of a will to "draw back" from the modern system, but on the contrary; they want to grow and to run formal businesses.

The rise of the female breadwinner implies that it is now a greater part of the women's incomes that go to "bread"; to the family, the extended family. One of the respondents says that "the richer you are, the more people become dependent on you". The reality seems to be similar to the one that Hydén describes, that it is a somewhat asocial behaviour to divert money to business investments, when there are friends and family who need it more. Within the economy of affection, accumulation of capital is not allowed to happen. That is indeed a problem, but although there are "no shortcuts to progress", Hydén's suggestion for solution is a change in norms, attitudes and behaviour, and to dismantle the traditional economy. That, however, is – which Hydén also realises – a process. A process that surely takes time. Processes are, naturally, not events, but should be the result of a step-wise, rational, population-driven course. By simply "suggesting" a certain process to occur, is not that in itself a shortcut? Another possible explanation may be that gender relations of inequality cannot only be seen from an economic development point of view as there is a non-linear

¹¹⁷ Myrdal, 1957

¹¹⁸ Hydén, 1985

relationship between gender and capital,¹¹⁹ and that accumulation of capital is a gendered process.¹²⁰ It is argued that there is a dialectic relationship between gender and capital accumulation, and that it is unclear how capitalism affects women's subordination. It is however concluded that there are central limits to the extent to which the subordination of women as a gender can be ended by wage work for women through capitalist accumulation.¹²¹ Empowerment of women is essential for development, and empowered women are potentially more profitable. Increased gender equality and empowerment will improve the longer run financial and organisational sustainability and the dynamism of the economy as a whole.¹²² This is believed to be a result of a long-term empowering of the informal, small-scale women entrepreneurs of Babati.

6.2 Analysis of Theoretical Perspectives

6.2.1 Women and Development

Women are a driving force in development. They have a high responsibility for the caring and wellbeing of the family, meaning that empowerment of a woman is positive for many more people, which leads to a faster development process. The fieldwork conducted in Babati shows that the women entrepreneurs interviewed, most of them informal and small-scale, work very hard, with well-reasoned strategies and large social networks. The greatest motive for their entrepreneurship is to improve the situation and opportunities for the family and the children. Women's engagement and enterprise at different levels lead to development, and informal entrepreneurship is not an exception. An important factor is that women must come in to all sectors. Policies need to be targeted not only towards women, but to ensure that they lead to improved empowerment of women and gender equality. For this reason, economics and politics should include the aspects of human needs and wellbeing when designing all policies. Subordination of women is linked to accumulation of capital as the salary or profit does not include the full cost of reproduction, resulting in dependence on the woman's responsibility for the reproduction through unpaid domestic work. This gender role limits women, and it limits the overall development. Weakening patriarchal structures is thus positive both for women, and for society as a whole, not least from a national economic perspective. The force from women's entrepreneurship develops societies, and the force from informal, small-scale women entrepreneurs creates a development that trickles up.

¹¹⁹ Rai and Waylen, 2014

¹²⁰ Pearson, 2014

¹²¹ Elson and Pearson, 1981

¹²² Mayoux, 2010

6.2.2 Development through Phases – or Sectoral Development

This is not a place to discuss whether Hydén's or Myrdal's views and predictions have been incorporated or realised, yet it is known that contemporary Africa is completely different from the Africa depicted in those books. Plenty of countries face a development process with rapid economic growth, but the paths do not follow the typical criteria that have marked countries outside Africa. Dividing development into phases, as Hydén does, is too simplifying. Development is too complex for stating that Africa's "level" in the 1980s corresponds to that of Europe a hundred years before. Development is not a unidirectional path; it is a multifaceted process that appears differently in different temporal and spatial situations. Myrdal is of another view; he notes that social processes do not follow a direction, as the assumption of stable equilibrium suggests. His theory of cumulative processes can be interpreted as sectoral development, that all sectors must be developed simultaneously in a society to achieve a successful, profound development process. Rather than identifying development phases, it is important to identify development that occurs at different levels simultaneously, and in different sectors.

This thesis suggests a view of development as taking place both from below and above, and that the synergies from the different levels create development. This includes small-scale, informal entrepreneurs. It must be recognised that people living in poverty take part in poverty reduction and in overall development, and their potential and knowledge must be valued. Through different kinds of support, successfully designed and targeted towards them – such as financial ones, microloans as well as larger ones, lower interest rates for small-scale entrepreneurs, a simple structure for forming official groups or Sacco's, vocational courses of good quality and low price/free of charge, etc. – their contribution to the economy and to development can be enormous. This is the kind of development that trickles up. And specific targets should be geared towards women, especially the ones doing informal, small-scale businesses, partly in order to "catch up" with men's advantages and privileges, and partly because, as theory and previous studies show, their contribution to the overall development is even larger than that of men, due to women's higher responsibility over the family. A woman expanding her business creates a virtuous circle, and the whole economy grows.

6.2.3 Trickle Up Development through Informal Networks

Research indicates that the economy of affection can be a driver of development rather than a threat. From the results of this thesis, together with theoretical approaches, it is suggested that the features of the economy of affection have a potential to lead to economic development.

The microeconomic networks do not compete with the macroeconomic structures. But if macroeconomic structures identify and incorporate these microstructures, and if policies are designed to target small-scale, even informal entrepreneurs, and women especially, then a more effective and profound development process can occur. Only a top-down focus is not enough, as gains from increased economic growth have been shown to not automatically trickle down. Instead, a bottom-up approach must be included in the policies to improve the poorest people's opportunities and empowerment for a trickle down process to happen. The informal economy is a means to start to push for development, but then they must be given the best conditions to be able to expand their businesses and become formal entrepreneurs.

Entrepreneurship demands some basic talents, not necessarily obtained from education. But managing a business in successful manner demands knowledge, and for this it would be good to offer courses and seminars to small-scale entrepreneurs, especially to women. And through education, women's empowerment increases, as knowledge is a weapon to fight patriarchal structures. Further, some basic conditions need to be met for successful entrepreneurship; well-functioning institutions, markets, governmental and local sets of rules and regulations, etc. This framework must be provided to all and constitute structures that trickle all the way down to the informal, small-scale entrepreneurs. In this way, the creativity and innovation ability, two highly important components of development, can be picked up from below and generate fruitful initiatives. Through social networks, reciprocal actions of solidarity and locally-based businesses, a community like Babati can maintain cumulative processes that create development at the small-scale level, which spreads its effects and trickles up.

6.2.4 Change in Attitudes – or Change in Disciplines?

Both Hydéń and the feminist economic discipline speak of the necessity of changes in attitudes, although they refer to different attitudes. The former wants to work against the economy of affection through capitalism, implemented by policies and changed behaviour. An interpretation is that feminist economics does not oppose the existence of the economy of affection, but wants to include this reality to the economic field. It is raised that the discipline of economics is not fixed, but shaped by the interests and biases of the people who created it. Neoclassical economics is built upon the market economy with growth and accumulation as main goals. It assumes self-interested and atomised individuals and excludes the logic of a family, and the vital goals of human needs and human wellbeing. The basic assumptions in neoclassical economics have masculinist biases that ignore values such as cooperation and equity, which should be included in order to fit better with reality. Myrdal is on the same

track; stating that the exclusion of “non-economic factors” from economic analyses causes biased results. This thesis tries to avoid this kind of bias, why female informal entrepreneurs’ businesses in Babati are viewed through lenses of development and economic, gender, social and political perspectives. A conclusion is that disciplines of research, political strategies and economic policies should deepen the perspectives, and incorporate and learn from structures and values that do not follow the Western, neoliberal views of reality. It is not a matter of changing their reality to fit the Western ideologies, but rather to make the mainstream economics include the reality of people in low- and middle-income countries as well, so that the whole field becomes more shaped by values of solidarity, reciprocity and affective interdependence. There are many answers of how to create development within the minds of people who are in the greatest need of such development. When viewing the subject of this thesis through the lens of Myrdal’s theory and the feminist perspective, it becomes obvious that economic development that reaches everyone cannot occur without the consideration of all sectors in the economy, which is impossible without identifying the informal workers. Also, it is essential to realise the enormous force of women, and their potential to intensify the rate of development. This thesis’ main contribution is to illustrate the force that informal, small-scale women entrepreneurs have in development. The hard-working, inspiring women entrepreneurs of Babati incorporate this force very well.

6.2.5 Further Research

This is a small-scale case study that illustrates a huge, complex picture. With more financial and temporal resources, women informal entrepreneurship should be investigated more thoroughly. It would be interesting to make a comparative study about eventual differences between women and men, women of various ages, or entrepreneurs with different business volumes. Similar research could favourably be conducted in other locations. The fact that workers in the informal economy are unregistered makes them excluded from most statistic investigations. Basing research on estimations is problematic, especially due to the great importance that the informal economy has across the world. Moreover, there is an urgent need for research concerning women’s obstacles and opportunities to run businesses, as it is a condition for improved empowerment and development. Neglecting the role of women and informal workers in development creates a strongly biased view of what causes development. Therefore, shifting focus from a merely top-down, masculine to a down-up, gender-based perspective is needed. Increased knowledge about this will provide valuable insights with a potential to deliver solutions to increase development and empowerment in the world.

7. CONCLUSIONS

Informal, small-scale women entrepreneurs in Babati, Tanzania, are the attention in this thesis, and the role they have in development was investigated. Based on network analyses with informal entrepreneurs and semi-structured interviews with larger-scale entrepreneurs, officers and politicians, it is concluded that informal female entrepreneurs are of great importance in development of Babati.

These women are very hard-working and play a crucial role in the community as they, from selling food, fruits, vegetables, fish, oil, etc., meet the increasing demands in Babati. Yet all the interviewed women have the will and goal to expand their businesses and become formal entrepreneurs. The small-scale informal workers face heavy challenges due to economic, social and gender-related conditions that prevent them from growing. The results show that the single most difficult challenge is lack of capital, as absence of assets and collateral excludes them from taking a loan. Other economic obstacles are mentioned, such as high interest rates, price fluctuations, poverty in Babati, material shortages, and seasonal differences in demand, due to the high fraction of the population devoted to agriculture. The informal economy is however dominating, and as Babati is a junction with interesting tourist attractions, local based tourism could be a way to increase the earnings of informal entrepreneurs, if they are incorporated properly.

Further, lack of education and malfunctioning government are considered great challenges. Higher levels of education increase women's empowerment, and for women to improve their management, more courses and seminars should be available at little or no cost. The government does not deliver welfare solutions, and as people do not experience the benefits from it, they are not motivated to pay tax. Furthermore, very poor people are not able to pay, and some of the respondents' businesses make too low profits for them to pay taxes. According to Myrdal, the government has a responsibility to design policies to improve the levels of living of the people, and should have a national economic development policy to allocate capital over different sectors. Here a top-down approach is connected to a bottom-up one, which also the "reproductive bargain" concept contributes to. A reproductive bargain occurs between different actors, such as the state and the worker, about the division of responsibility for the cost of reproduction, which is not included in salaries. When the government does not provide support for reproduction, that task accrues the woman, so that unpaid, unregulated domestic work becomes a condition for the production chain to function. The informal women worker's situation can be improved through top-down policies and

structural frameworks, as well as through bottom-up activism and raised voices. The results of this thesis confirm these suggestions of that action must be taken at all levels.

There is a consensus among the respondents that Babati is developing economically, and that women's empowerment and opportunities are changing to the better. Only a few years ago it was not socially accepted for women to work outside the household, but now women's businesses are increasing, along with the dependence of families. An important contributor has been the fact that many women have formed groups, Sacco's, as an alternative to financial institutions to improve their businesses. Still there are severe challenges related to patriarchal structures and gender roles. Men are often discouraging women, and it is common that husbands do not support their wives' entrepreneurship, or become jealous of their successes. Women are generally more dedicated to the family and have better ability to protect money, whereas men spend more on themselves. This is consistent with theory, and affects women's opportunities to expand their businesses negatively. Other factors that affect women's opportunities to conduct and expand their businesses are access to capital and collateral, if they are formal or not, their family situation, networks, etc. If a woman invests relatively more in the family than in her business compared to men, it should slow down the rate of her business expansion. But it can also be interpreted as leading to faster development through reproductive gains.

Increased paid work does however not decrease women's unpaid, domestic workload; women still have the greatest responsibility over the household. The families' economic strategies vary, but in all cases the families are dependent on the woman's business, which can be linked to a phenomenon called "the rise of the female breadwinner". The results confirm the feminist economic theory about that women's more active decision-making and breadwinning role is often hard for men to accept. This results in resistance among men, which is perceived as one of the greater challenges for women in Babati, especially small-scale, informal ones. This can be interpreted to show that gender roles are changing, and patriarchal structures are challenged as men's control over women decreases. A change in attitudes and behaviour is requested from the respondents, and the feminist theory sees it as vital to break the systems of male dominance and female subordination. Effective strategies that fight these gender norms and empower women are essential for women's economic and political power, but also for economic growth and pro-poor development overall.

Women workers in Babati at different levels of business have complex, informal networks based on reciprocal services, cooperation and solidarity, which are very important. This

indicates that Babati functions as an economy of affection, a concept coined by Hydén. He blames the economy of affection for preventing accumulation of capital and thus development from taking place in Africa. The reason is that local norms and traditions make resources being spent on social maintenance, which could be used in a more productive way. It is indeed problematic that more people become dependent on a person who makes money, so that business investments become less acceptable. But Hydén's solution is to dismantle the traditional economy on behalf of a capitalist system, for Africa to climb the same development phases as the West. Development is however not a unidirectional path; it is a multifaceted process that appears differently in different temporal and spatial situations. Rather than identifying development phases, it is important to identify the development that occurs at different levels simultaneously, and in different sectors. This relates to Myrdal's theory of circular causation and cumulative processes, which create a profound development process at all levels. It also relates to feminist economics, which sees accumulation of capital as a gendered process, and identifies a dialectic relationship between gender and capital accumulation. Empowerment of women is essential for development, and empowered women are potentially more profitable. Increased gender equality and empowerment will improve the longer run sustainability and dynamism of the economy, which is believed to be a longer-term result of empowering informal, small-scale women entrepreneurs of Babati.

The contribution of this study is a comparison of the development theories represented by Myrdal and Hydén, which are made more relevant by adding a gender-based feminist economic perspective. This thesis does not see the economy of affection as a break block, but as a driving force in development; the kind of development that trickles up, from the small-scale, informal entrepreneurs to the top. It pushes for recognising that people living in poverty take part in poverty reduction and development, and that their potential and knowledge must be valued. Different kinds of support, successfully designed and targeted towards women, especially those doing informal, small-scale businesses, can enhance trickle up effects. A top-down focus is not enough, as gains from economic growth do not automatically trickle down. A bottom-up approach must be included in the policies to improve the poorest people's opportunities and empowerment, so that they can contribute to pro-poor development from below. Through social networks, reciprocal actions of solidarity and locally-based informal businesses driven by women entrepreneurs, a community like Babati can maintain cumulative processes that create development at the small-scale level, which trickles up.

8. REFERENCE LIST

- Arku, Cynthia and Arku, Frank S. 2009. "More Money, New Household Cultural Dynamics: Women in Micro-Finance in Ghana", in *Development in Practice*, volume 19, number 2, p. 200-213. Accessed April 7, 2014.
- Bryman, Alan. 2002. "Samhällsvetenskapliga metoder". Malmö: Liber.
- Chong, Alberto and Gradstein, Mark. 2007. "Inequality and informality", in *Journal of Public Economics*, volume 91, issues 1–2, p. 159–179. Washington DC: Research Department, Inter-American Development Bank, and Beer Sheva: Department of Economics, Ben Gurion University. Accessed: January 29, 2014.
- Eitel, Maria. 2012. Oral source from a panel discussion titled "The Post-2015 Development Agenda: What role should gender equality play in the new development goals?" organised by Carlsson, Gunilla, the Swedish Minister for International Development Cooperation, with the World Bank Advisory Council on Gender and Development. Eitel participated as the founding president and CEO of the Nike Foundation and initiated "the Girl Effect movement". Stockholm. December 12, 2012.
- Elson, Diane and Pearson, Ruth. 1981. "Nimble Fingers Make Cheap Workers: An Analysis of Women's Employment in Third World Export Manufacturing", in *Feminist Review*, Spring, p. 87-107. Accessed: April 18, 2014.
- England, Paula. 2003. "Separative and Soluble Selves: Dichotomous Thinking in Economics" in "Feminist Economics Today – Beyond Economic Man", p. 33-59, edited by Ferber, Marianne A. and Nelson, Julie A. Chicago and London: The University of Chicago Press.
- Family Health International. 2005. "Qualitative Research Methods Overview" in "Qualitative Research Methods: A Data Collector's Field Guide". North Carolina: Research Triangle Park. Accessed: May 24, 2014.
- Ferber, Marianne A. and Nelson, Julie A. 1993. "Beyond Economic Man – Feminist Theory and Economics", edited by Ferber, Marianne A. and Nelson, Julie A. Chicago and London: The University of Chicago Press.
- Ferber, Marianne A. and Nelson, Julie A. 2003. "Introduction: Beyond Economic Man, Ten Years Later" in "Feminist Economics Today – Beyond Economic Man", p. 1-31, edited by Ferber, Marianne A. and Nelson, Julie A. Chicago and London: The University of Chicago Press.
- Francis, Elizabeth. 2002. "Gender, Migration and Multiple Livelihoods: Cases from Eastern and Southern Africa", in *The Journal of Development Studies*, volume 38:5, p. 167-190. Accessed: April 18, 2014.

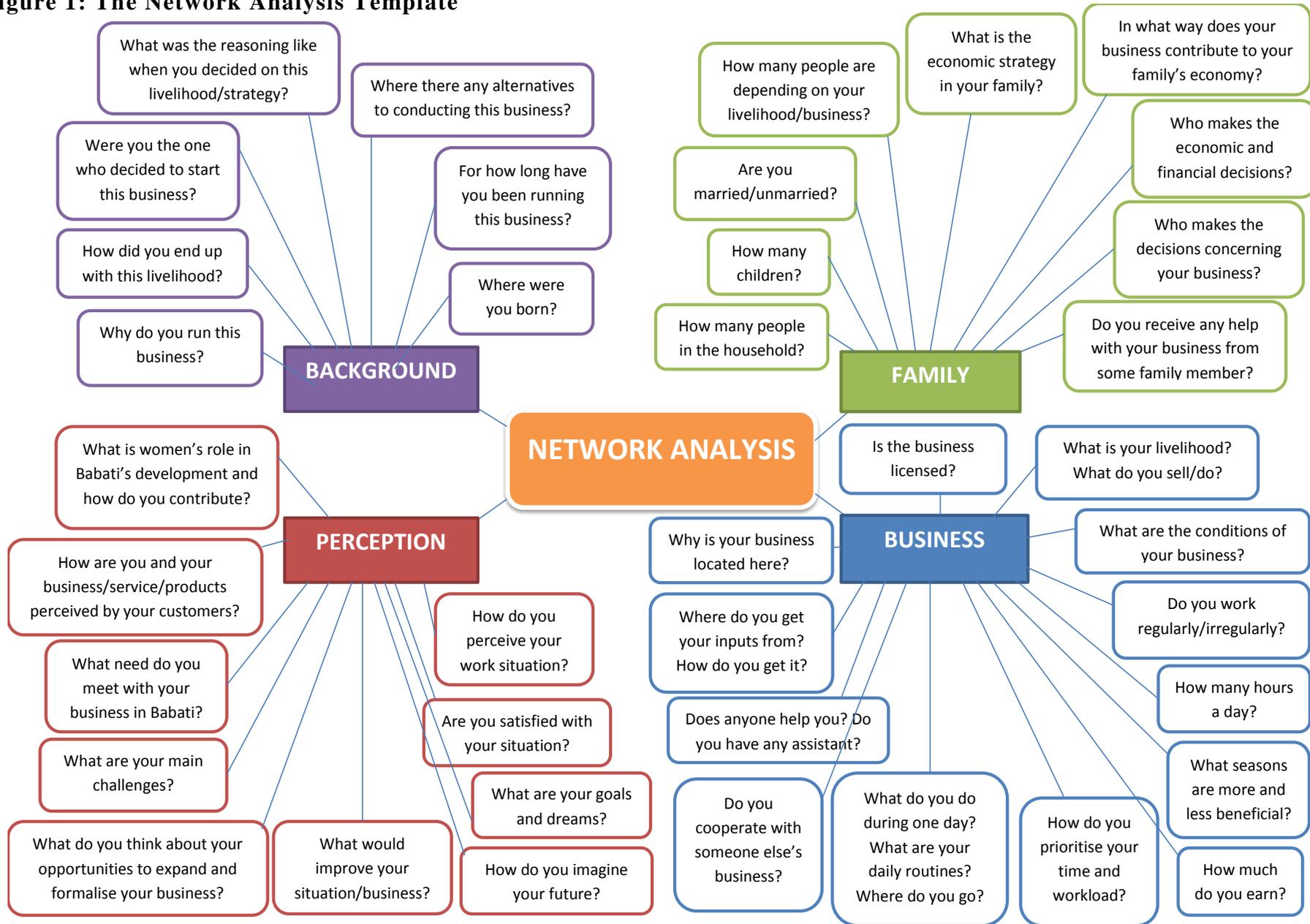
- Ghatak, Maitreesh, Morelli, Massimo and Sjöström, Tomas. 2007. "Entrepreneurial talent, occupational choice, and trickle up policies" in *Journal of Economic Theory*, volume 137, issue 1, p. 27–48. Elsevier. Accessed: May 19, 2014.
- Girleffect.org. 2012. "The Girl Effect Factsheet" Source 3.1 "Economic Empowerment". Accessed: February 9, 2014 from: http://www.girleffect.org/media/50107/girl_effect_infographic_the-girl-effect-factsheet-download.pdf
- Grimm, Michael, Knorringa, Peter and Lay, Jann. 2012. "Constrained Gazelles: High Potentials in West Africa's Informal Economy" in *World Development*, volume 40, issue 7, p. 1352–1368. Accessed: January 29, 2014.
- Godfrey, Paul C. 2011. "Toward a Theory of the Informal Economy" in *The Academy of Management Annals*, volume 5, issue 1, p. 231–277. Marriott School of Management, Brigham Young University. Accessed: January 29, 2014.
- Guha-Khasnobis, Basudeb, Kanbur, Ravi and Ostrom, Elinor. 2006. "Linking the Formal and Informal Economy: Concepts and Policies." *Beyond formality and informality*, Oxford Scholarship Online. Accessed: January 29, 2014.
- Günther, Isabel and Launov, Andrey. 2012. "Informal employment in developing countries - Opportunity or last resort?" in *Journal of Development Economics*, volume 97, issue 1, p. 88–98. Accessed: January 29, 2014.
- Hydén, Göran. 1985. "Utveckling utan genvägar – Ett perspektiv på krisen och biståndet i Afrika". Malmö: Wahlström & Widstrand.
- ILO, the International Labour Organization - Department of Statistics. 2012. "Statistical update on employment in the informal economy." Accessed: February 7, 2014 from: http://laborsta.ilo.org/applv8/data/INFORMAL_ECONOMY/2012-06-Statistical%20update%20-%20v2.pdf
- Jackson, Terence. 2012. "Cross-cultural management and the informal economy in sub-Saharan Africa: Implications for organization, employment and skills development" in *International Journal of Human Resource Management*, volume 23(14), p. 2901-2916. London: Middlesex University Business School. Accessed: January 29, 2014.
- Johnston-Anumonwo, Ibipo and Doane, Donna L. 2011. "Globalization, economic crisis and Africa's informal economy women workers" in *Singapore Journal of Tropical Geography*, volume 32, p. 8–21. Singapore: Department of Geography, National University of Singapore. Accessed: January 29, 2014.
- Kabeer, Naila. 2014. "The rise of the female breadwinner: reconfigurations of marriage, motherhood, and masculinity in the global economy" in "New Frontiers in Feminist Political Economy", p. 62-84, edited by Rai, Shirin M. and Waylen, Georgina. London and New York: Routledge.

- Keating, Christine, Rasmussen, Claire and Rishi, Pooja. 2010. "The Rationality of Empowerment: Microcredit, Accumulation by Dispossession, and the Gendered Economy" in *Signs*, volume 36, number 1, Feminists Theorize International Political Economy Special Issue, p. 153-176, edited by Shirin M. Rai and Kate Bedford. Accessed April 7, 2014.
- Lindahl, Claes. 2005. "Wealth of the Poor. Eliminating Poverty through Market and Private Sector Development." Sida Studies no. 14. Stockholm.
- Loayza, Norman V. and Rigolini, Jamele. 2011. "Informal Employment: Safety Net or Growth Engine?" in *World Development*, volume 39, issue 9, p. 1503–1515. The World Bank, USA. Accessed: January 29, 2014.
- Loiske, Vesa-Matti. 2014. Oral source from supervising meetings and lectures.
- Magnér, Johan. 2008. "Rural-urban migration in the context of Babati Town, Tanzania. Causes and effects on poor peoples' quality of life". School of Life Sciences, Södertörn University College. Stockholm. Accessed: January 21, 2014 from: <http://www.uppsats.se/uppsats/347971b2da/>
- Mayoux, Linda. 2010. "Reaching and Empowering Women: Towards a Gender Justice Protocol for a Diversified, Inclusive, and Sustainable Financial Sector" in *Perspectives on Global Development and Technology*, volume 9, issue 3, p. 581–600. Accessed April 7, 2014.
- Myrdal, Gunnar. 1957. "Rich Lands and Poor – The Road to World Prosperity". New York: Harper & Brothers Publishers.
- Nelson, Julie A. 2003. "Separative and Soluble Firms: Androcentric Bias and Business Ethics" in "Feminist Economics Today – Beyond Economic Man", p. 81-99, edited by Ferber, Marianne A. and Nelson, Julie A. Chicago and London: The University of Chicago Press.
- The Oxford English Dictionary, OED Online. 2014. Search: "informal, adj.". Oxford University Press. Accessed: January 22, 2014 from: <http://www.oed.com.till.biblextern.sh.se/view/Entry/95561?redirectedFrom=informal+sector#eid130401196>
- Oya, Carlos and Sender, John. 2009. "Divorced, Separated, and Widowed Women Workers in Rural Mozambique", in *Feminist Economics*, volume 15:2, p. 1-31. Accessed: April 18, 2014.
- Pearson, Ruth. 2014. "Gender, globalization and the reproduction of labour: bringing the state back in" in "New Frontiers in Feminist Political Economy", p. 19-42, edited by Rai, Shirin M. and Waylen, Georgina. London and New York: Routledge.
- Perry, Donna L. 2005. "Wolof Women, Economic Liberalization, and the Crisis of Masculinity in Rural Senegal" in *Ethnology*, volume 44, number 3, Summer, p. 207-226. Accessed: April 19, 2014.

- Rai, Shirin M. and Waylen, Georgina. 2014. "Feminist Political Economy – Looking back, looking forward" in "New Frontiers in Feminist Political Economy", p. 1-18, edited by Rai, Shirin M. and Waylen, Georgina. London and New York: Routledge.
- Ray, Debraj. 1998a. "Chapter 7: Inequality and Development: Interconnections" in "Development Economics", p. 197-248. Princeton: Princeton University Press.
- Ray, Debraj. 1998b. "Chapter 14: Credit" in "Development Economics", p. 529-590. Princeton: Princeton University Press.
- Soto, Hernando de. 2001. "The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else". London: Black Swan.
- Stiglitz, Joseph. 2007. "Making Globalization Work". London: Penguin.
- United Republic of Tanzania. President's office, planning commission. 2011. "The Tanzania Five Year Development Plan 2011/2012-2015/2016. Unleashing Tanzania's latent growth potentials." Accessed January 19, 2014.
- Webb, Justin W., Tihanyi, Laszlo, Ireland, R. Duane and Sirmon, David G, 2009. "You say Illegal, I say Legitimate: Entrepreneurship in the Informal Economy" in *Academy of Management Review*, volume 34, issue 3, p. 492–510. Texas: Texas A&M University. Accessed: January 29, 2014.
- The World Bank. 2013. "Tanzania Overview." Accessed: January 22, 2014 from: <http://www.worldbank.org/en/country/tanzania/overview>
- Yuki, Kazuhiro. 2007. "Urbanization, informal sector, and development" in *Journal of Development Economics*, volume 84, issue 1, p. 76–103. Faculty of Economics, Kyoto University. Kyoto. Accessed: January 29, 2014.

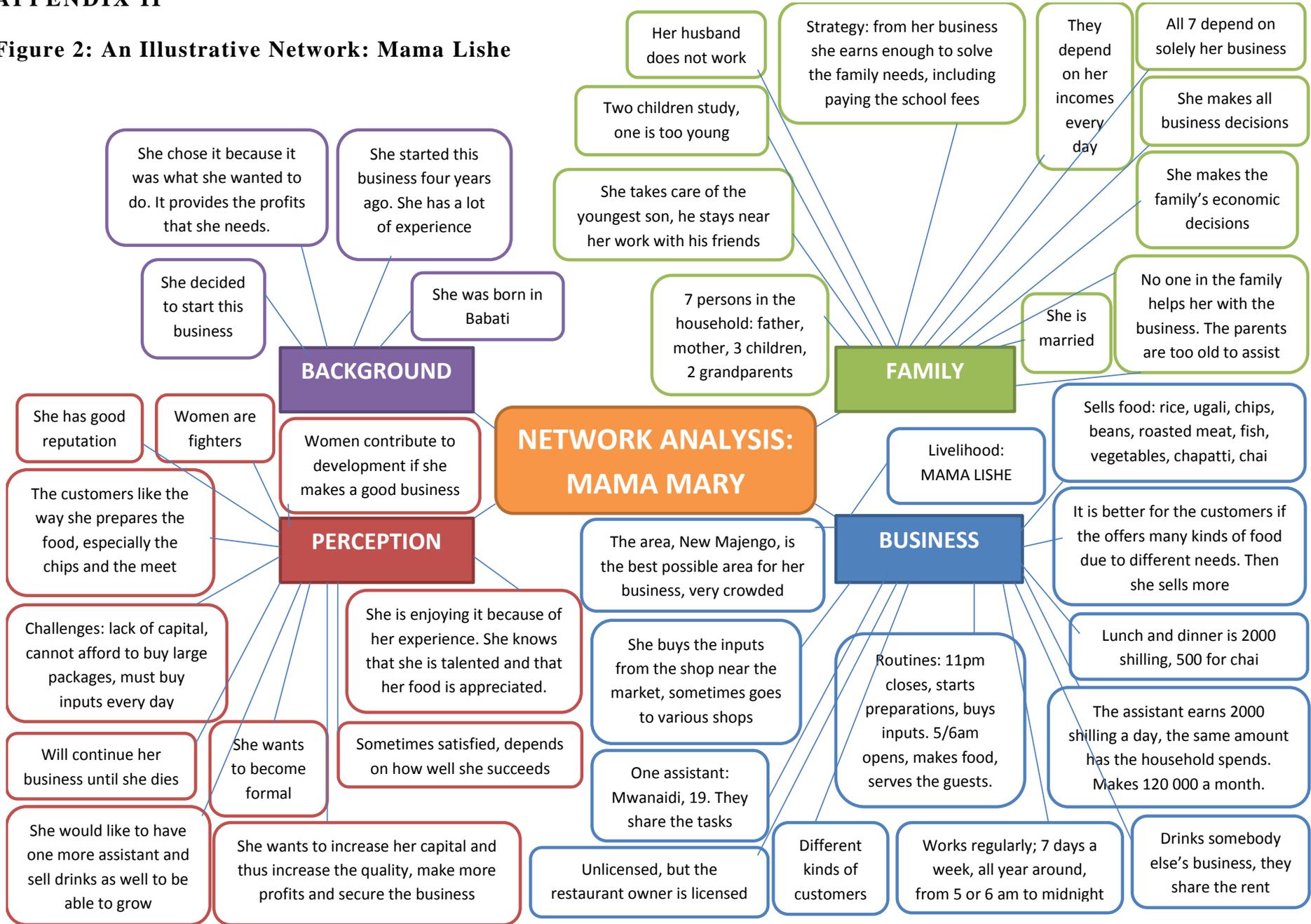
APPENDIX I

Figure 1: The Network Analysis Template



APPENDIX II

Figure 2: An Illustrative Network: Mama Lishe



APPENDIX III

Anna's Narrative

Anna is 29 years old and lives the kind of life that many small-scale, informal women entrepreneurs in Babati dream of. She is the manager of a shop, and together with her husband, they own a grocery shop, a cafeteria and a liquor store, located in the same building, in the very centre of Babati. There are a lot of customers there; it is a new area with plenty of guest houses nearby. In the shop they sell grocery stuff; bread, oil, flour, salt, rice, drinks, biscuits, milk, yoghurt, ice cream, hygiene requisites, laundry detergent, soaps, live hens that the kitchen staff slaughter... They sell most things necessary for the household except for vegetables. Connected to this there is also a cafeteria/restaurant, that started as a cafeteria but expanded to include food as well, and a liquor store. The whole area is rented by Anna and her husband, so it is a family business. Anna is the one maintaining the shop, but they hire staff that work in the kitchen and in the liquor store. She starts at 6:00 am by cleaning the area and organizing, and some customers start coming early. Every morning there is a delivery of fresh bread from a bakery in Babati. Then usually distributors arrive with orders of soda or beer, and the suppliers continue to come during the whole day. Occasionally they call in advance, but most often they just end up there. Sometimes she writes a check, or pays them in cash when they arrive, but that's rarer, and sometimes they just deliver the items and come back for payment another day. Some delivers are from Arusha, such as the big packages of detergent. It is busy in the morning when people come to buy breakfast and what they need for the daily activities, but the busiest time is in the evening. Around 9:00 pm they take all the items inside, but the fridges and the freezer they keep outside over the night. She goes home some when in the evening, usually around 8 pm, and her husband continues the work in the shop. They are flexible with the time and adapt the closing hour to the number of customers, but usually they close around midnight or 1:00 am. As they have a license to sell alcohol, they can close very late, and keep it open until dawn. Yesterday Anna worked until 1:00.

There are seasonal differences concerning the benefits of the shop. They are dependent on the regional conditions; many combine farming with other work, so people's consumption is affected by the harvests. Now it is not so busy, as people only buy according to their basic needs. The farming productivity is low during this season, so people cannot afford anything luxurious. For instance, they only buy bread, and not butter, since butter is considered a luxury during this season. January is very bad, when farmers take their kids to school and

must pay the school fees. From March it gets better, when the farmers start harvesting. Then the liquor store is raising its amount of customers. From April until early December is the best season. In one day they sell for everything from 350 000 up to 700 000 shilling. Some parts of the profits go to salaries to the staff in the kitchen and in the liquor store, as well as to the assistant, and some is going to the bank. The salaries of the staff vary; they give 3000 per day to the waitresses and the liquor worker and 5000 to the cook. They pay daily salaries as the staff prefers it that way. In total they spend about 12 000 shilling per day in kitchen salaries. Then they also pay the rent and the electricity, but the furniture and all items are owned by them. The staff in the kitchen and in the liquor store pays nothing, they just earn their salary. It is a lot easier to calculate the profits of the cafeteria and the liquor store, since every day you see for how much you bought and sold. But in the shop it is not a fixed amount, and it is more difficult to calculate the profits as there are so many expenditures. Some of the products are sold to the restaurant, and then by the end of the day, those expenses are detached from the profit of the restaurant and added as profit for the shop. The whole business is licensed. They have no problem with TRA, but when you pay the revenue, you must say how much you earn per month. It is a nationwide problem that a lot of people do not know what income tax is, that what you sell and what you profit is not the same thing, that you must remove the expenses. According to Anna, the TRA is not working as it is supposed to.

Anna was born in Singida, but the family moved around a lot. She started primary school in Katesh, and then they moved to Arusha. She met her husband in the university in Babati and they got married during that time. Her husband started this business in 2012. His brother in law had just finished his studies and helped a lot. Anna finished her law studies in July 2013 and directly after she started to work in the shop. They started the business as it was a very good option for them; the area was the best possible, even though they have lost customers due to the removal of a residence area that was located nearby, by the end of last year. That is a small challenge but nothing they cannot handle. Apart from the profits of the shop, the cafeteria and the liquor store, they have a banana farm that they started last year, but this first year gave bad harvest, and as they do not live there yet, there have been thieves. Her husband earns a fixed salary; he is employed for the government of Babati as a regional fishery officer. Instead of receiving a certain salary, they save the business profits in the bank and withdraw money when they need to. They are doing their best to organise it and to have control over what they earn and spend. They share everything and always write down all their expenses. "I don't know yet if it's good or if we are just wasting our time, but we do like this now." She

and her husband share the economic responsibility of the family and the business. In the beginning it was mainly her husband who made the business decisions when she was still studying, but now that she works there, she is the one who has most knowledge, and thus makes more decisions. But they always cooperate, discuss the management and the expenditures together, and always make sure that both agree.

They live in a house near the shop and are 8 people in the household; Anna, her husband and three kids: 6, 5 and 2 years old. They also have an assistant, a “chamber boy”, who lives with them, who is 24 years old. He is like one of the family. Anna is training him how to handle the shop, so he works there every day. They also have a house girl living with them with her daughter. Sometimes relatives help them, but nowadays it is only when they both cannot be present, like when they go to other cities to buy products that Babati is out of. They prefer to let the brother in law handle the shop, as he used to work there. The 6 year old son is already in the shop sometimes and likes to see how it works there. But she wants her children to grow up and to have their own dreams. Anna says that “I am satisfied with my situation, I can enjoy it.” She is planning to, after having stabilised the business, manage the shop without being physically there. She does not want to be dependent on only one thing; her goal is to have other businesses. She wants to have a hardware store as well, as it is easier to handle. But she would like to practice what she has studied, and as she studied law, she would like to be a self-employed legal officer. This would make it easier to still manage the other businesses.

Of course she faces challenges. One of the biggest is the seasonal differences. Another great challenge is the rapid raise of product prices, which leads to that they must change the prices of their products immediately, and then the customers complain. The electricity price is getting higher and higher every day, and they use a lot of electricity, especially as the freezer must be on even when it is empty. The rent is high, 120 000 shilling per room and year. They would like to buy it but the ones who own it do not want to sell. And they do not want to move the shop as the location is good and it is already established. Sometimes some products are not available in Babati. For instance, ice cream delivers do not come very often, so they always run out of it. Further, it is difficult to maintain control if you are not around. You must find the right staff that you can trust, which is not very easy. They must have a faithful person who attends the customers well. Now they have a woman working in the kitchen who is being trained to know everything; what is to be done, how to treat the customers, how to deal with the profits. “If you have a serious stone face, you are not doing business at all.”

APPENDIX IV

Presentation of the Authorities, Entrepreneurs and Politicians

Mr. Gyunda is the Assistant Regional Manager at the Tanzania Revenue Authority (TRA), located in Bagara Ward, Babati. He is a tax collector working in Manyara region to enable the government to reach its goals. He tries to encourage the small-scale entrepreneurs to comply with the law and to register their businesses. If a person wants to open a business, you go to the local authority to register and identify yourself, and then the business is officialised. According to Mr. Gyunda it is not complicated, but the reason why still few people do that, he thinks, is because of people's ignorance about tax issues, which he sees as part of their culture. A great challenge to TRA is that people do not keep the records of their products, which makes it very hard to determine the right tax. Instead TRA has to base the tax amount on the volume of the shop. Also, it happens that people come to register their businesses for one period, and then the next period, they do not come back. Then it is very hard to follow up, and as the region is so big, it would be very cost ineffective to go there. To prevent these problems, TRA has an Education Training Officer who visits different areas to educate people about how to calculate their sold products, how the tax officers work and the importance of paying taxes. According to Mr. Gyunda, people appreciate the information, but still do not manage to comply and thus still do not pay the tax. He is not sure about why, but guesses that the tax resistance is due to lack of knowledge.

Ramadhani is employed at The Tanzanian Chamber of Commerce, Industry and Agriculture (TCCIA) which is a Non-Governmental Organisation (NGO) with branches in every region. They work to create a better business environment through various activities. They deal with lobbying, and through a Public Private Partnership (PPP), they advise the government about different aspects of the business environment. They also work to establish a certificate of origin, which is a criterion for increasing the international trade. TCCIA are the agents of business licenses and registration. Any person can enter their office to register a business and then they help with the process, by sending it to the BRELA¹²³ headquarter in Dar es Salaam, and after a few days, the certificate arrives. Apart from this, they offer secretarial services and provide information about business opportunities both to members and non-members. A way for them to promote entrepreneurship is to offer trainings of keeping simple records so that the registered entrepreneurs can use the principle of pay as you earn. This is a way to simplify

¹²³ BRELA stands for Business Registrations and Licensing Agency and is a Government Executive Agency. For more information, see its official webpage: <http://www.brela-tz.org/about.php>

the taxation process so that TRA does not have to estimate the tax amount by observing the products, but base it on the profit. Their biggest challenge is the lack of fund, to finance all their plans. As TCCIA is a member-based organisation, basically all finance is from members' annual subscription fees, but most of the members do not pay. All other challenges are very minor compared to this one, but he mentions difficulty to reach interior areas.

The Umoja Wa Wanawake Tanzania (UWT) is the organisation for women of Chama Cha Mapinduzi (CCM), the socialist party, and it works politically for women in different areas. Mosa is the General Secretary of UWT, and she describes that UWT works with a lot of issues for development of women, and to encourage women to form groups for development. To these women groups they also to provide loans from the council so that they can be able to improve their economy, which many use. Further, they educate women so that they can play a bigger role in the family by encouraging their children to take responsibility in society and in the community. They encourage women to be strong so that they can take political leading positions in society. Their strategies to encourage women in Babati are to organise meetings for them, and to use support from NGOs. They provide different kinds of information, so if a woman gets health problems, they help her to send her to the right place. They also speak about the effects of aids, and sometimes they visit patients in the hospitals to encourage them, especially the maternity ward. Their goals are to encourage women to solve their problems and to not depend on others but on herself. A challenge they face in their work is competition from other political parties.

Francis Lazaro is the Tourism Officer at Babati Town Council. He is an entrepreneur with great visions about current and future tourism in Babati and Manyara region.¹²⁴ He started as a tour guide in Arusha, and is still a freelance-guide when he has the time. His responsibilities include making sure that the tourist attractions are well promoted, to collect taxes and tariffs from the visitors, organise educational tourism for children in the primary and secondary schools, to hinder complaints of clients, and to make sure that the vocational schools which are providing tourism courses follow the proper curriculums. Mr. Lazaro is also a teacher, principal and responsible for the field studies and the final exams of the tourism course. Promoting the tourism and hotel management courses is a way of educating people and thus provide human resources for investors to work with. Apart from this, he is doing consultancy by advising and supporting people who want to start a project related to tourism, and helping

¹²⁴ The contemporary tourist attractions are for instance Lake Babati, Mount Kwaraa, the waterfalls, the crater Kisimichamundo, and Tarangire, the national park. In terms of cultural tourism, one can visit the Wafiomi, part of the Irakw people, who have their own culture and traditions in a cultural area called Mama Issara.

them to register their companies so that it is legalised. Another important part is to simplify the process of investing in Babati and to provide the maximum cooperation to make sure that an investor's project is developed and fulfilled. Lobbying is yet another issue, and one thing he is trying to carry through is to open a gate in Mamire to connect Tarangire, "the grand attraction", with canoeing, fishing, hiking and adventure-related activities in the area. His goal is to open a tourism office in Babati, and to increase the number of hotels and tourists. A challenge is lack of awareness of the benefits and opportunities from tourism, especially when one compares Babati to Arusha, where everyone grabs the idea. Even though he thinks that people in Babati are aware, and that they do have ideas and dreams of opening shops etc., it is like as if they are still "waiting for it to happen". Another challenge is defective infrastructure, obstructing transportation, and also the budget allocated by the government is still minimal, and he criticises it for not realising the benefits from tourism for development.

Pendo and Elias Iyo are married and both work as teachers; Pendo is teaching in Babati Day Secondary and Elias is a Geography and English language teacher and head master of Bagara Secondary School. They have two children. For the past three years, they own a restaurant and bar together. They supervise people who work there, but it is a great challenge that they cannot be physically there to guarantee that the service is good. Pendo works in the school until 3:00 or 3:30 pm, then she usually goes to the restaurant to observe it and to work in the kitchen, maybe 3 or 4 times a week. They take turns in going there, and sometimes they go together, often staying until 10:00 pm. They have a joint account at the bank where all profit is collected to which they have equal access. They do not receive the money they expected, and they think there are a lot of cheatings. They have problems with the management as both of them work so much, but have some ideas about how to improve the situation. Most important is to find faithful workers, but there are not enough professionals in Babati, so they want to look outside the region, maybe in Arusha. Their strategy is to build a guest house for their staff to live in, to attract people from outside Babati. They rent the place, and they would rather have a place of their own. Their goal is to increase this business but also to have other businesses and different sources of income. They already have the capital for opening a whole-sale shop, which is planned for this year. Pendo thinks that three businesses would be ideal; the restaurant, a whole-sale shop, and one more. She would spend the money on her family, to buy a good house, and her dream is for them to live a good life, and for her children to have the best education and get good jobs. Elias thinks that their future is bright.