



**Emerging Women Entrepreneurs in Sudan: Individual
Characteristics, Obstacles and Empowerment**

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Abstract

This research focuses on three issues: the personal characteristics and motivations of the female Entrepreneurs of Sudan, how conducive is the business environment for the female entrepreneurs of Sudan in terms of availability of finance and supporting infrastructural services and the major constraints imposed by the society's attitudes and government regulations on business start-up, taxes and labour that may still impede female entrepreneurs of Sudan. The study used survey methodology and the questionnaire research method to collect data from 142 female businesses of different sizes, in different geographical locations and in different industries.

Businesswomen have immense problems accessing finance and many aspects of infrastructural services and government regulations on business start-up and taxes that are not business-friendly either. Unexpectedly, the research findings indicate society's positive attitudes to businesswomen.

The study has made some recommendations including making microfinance initiative easily accessible, improving infrastructure, streamlining government regulations on starting-up business and licensing, introducing tax reforms and incentives, organizing businesswomen in the informal sector and enhancing businesswomen organizations' relations with universities.

Keywords: businesswomen, business environment, finance, bureaucracy, and Taxes.

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1. Introduction

1.1 Background of the Problem

Sudan, like other Sub-Saharan African countries, had experienced serious economic problems in the early 1980s. Since then, various governments have introduced structural adjustment programmes with the blessing of the World Bank and the IMF. The most radical one, however, was introduced in 1990 without consultation with these international financial organizations. Sudan's Structural Programme (SAP) was part of the Three-Year Economic Salvation Programme (1990-1993) and has the same ingredients like those sponsored by the World Bank and the IMF. It aimed at, among other things, *enhancing the role of the private sector* to lead economic development in the country. To encourage the private initiative, Sudan's SAP had promised *"to remove all administrative, economic and legal obstacles facing private businessmen (and businesswomen) and participants in the economy, including craftsmen, professionals, manufacturers and foreign investors."* To promote the private sector, the Programme had adopted two approaches: Allowing free entry to all sectors of the economy except oil production and privatization policies. Since then, all the subsequent government plans and strategies, including the Twenty-Five Year National Strategy of 2007-2031, have emphasized the role of the private sector in economic development.

The use of the private sector to lead economic development in the country represented an unprecedented turnaround in the government's economic policies which have used the public enterprise sector as a vehicle of economic and social development since independence in January 1956. Besides the poor financial performance of many state-owned enterprises, a host of reasons have been used to justify the shift to private sector to lead economic development in Africa and elsewhere. One of these is that there is enough private entrepreneurship to take over the role of the failing state entrepreneurship (Young (1971). In Africa many empirical studies have investigated the response of the private entrepreneurs to adjustment policies directed to promote the private sector since the early 1990s. Again the evidence of abundant entrepreneurship was conclusive (ECA, 1992, Webster, 1993, Musa, 2002).

Literature suggests that abundant entrepreneurship alone, however, did not bring economic miracles in the adjusting countries. *A favourable business climate is essential if private*

entrepreneurship is to flourish and yield fruits. In many African countries, Sudan included, the impressive response of private entrepreneurs to the promotion policies did not reverse the economic decline of many adjusting countries. This is because “Efforts by African governments to create an enabling environment for the private sector have tended to be partial, as the private sector still encounters many obstacles in its operations.” (ECA, 1990)

1.2 Statement of the Research Problem and Questions

This research problem focuses on the progress, problems and prospects of female entrepreneurship in Sudan. All in all, this research seeks to investigate the profile, the environment and problems of female entrepreneurship in Sudan .The study will focus on three aspects of female entrepreneurship:

- i. individual characteristics and motivations of female entrepreneurs,
- ii. the opportunities offered by the environment of Sudan and
- iii. the constraints imposed by environment.

In the process, the study will also take stock of the businesses in which female entrepreneurs own 51% or more. This will involve collecting statistical data from the Registrar of Companies on the number of small and micro enterprises (SMEs), medium-sized and large businesses in which female entrepreneurs own the controlling interest. The reason why we are involving SMEs owned by businesswomen is because it is widely believed “that the few female entrepreneurs in the Middle East and North Africa are mainly in the informal or formal micro sector employing few than 10 workers” (The World Bank, 2007). Furthermore, the study will highlight the *financial performance* of the female entrepreneurs’ businesses.

More specifically, this study seeks to address and answer the following main research questions:

Question 1: *What are the personal characteristics and motivations of the female entrepreneurs of Sudan?*

Question 2: *How conducive is the business environment for the female entrepreneurs of Sudan in terms of availability of finance and supporting infrastructural public services?* This question takes stock of the opportunities offered by the business environment in terms of the available

financial resources and the quality and integrity of public services (electricity, telecommunications, ...etc). This research question endeavours to take stock of *how far the government of Sudan has managed to create a business-friendly environment in line with its pledges and promises* of its SAP policies announced in the early 1990s.

Question 3: *What are the major constraints imposed by the society's attitudes and government regulations on business startup, taxes and labour that may still impede female entrepreneurs of the SUDAN?* This question attempts to explore the following set of problems which the literature suggests and which the female entrepreneurs of SUDAN are likely to face:

- i. Society's negative attitudes to female entrepreneurship,
- ii. Barriers to entry such as government regulations on registration labour and taxes.

1.3 Research Objectives

1.3.1 General Objectives

The *general objective* of this study is to help policy-makers in Sudan to initiate solutions to promote female entrepreneurship. This is in line with the ICBE's initiative which endeavours to promote "general knowledge that will create a better understanding of improvements in the investment climate and business environment for sustainable entrepreneurs in Africa." To achieve this general objective, the study will draw the necessary policy implications and recommendations.

1.3.2 Specific Objectives

Objective 1: To investigate the personal characteristics and motivations of the female entrepreneurs in Sudan.

Objective 2: To investigate the friendliness, or otherwise, of the business environment for the female entrepreneurs in terms of availability of finance and quality of infrastructural services.

Achieving these two specific objectives requires testing the following two hypotheses:

Hypothesis 1: Businesswomen in Sudan have difficulties accessing finance from banking and other sources.

Hypothesis 2: Businesswomen of Sudan face problems related to the relatively inadequate infrastructural facilities (roads, telecommunications, electricity,...) in the country.

Objective 3: To investigate the major constraints imposed by the society's attitudes and government regulations on business start-up, taxes and labour that may still impede the female entrepreneurs of Sudan.

To achieve this specific objective, the following two hypotheses have to be tested:

Hypothesis 3: Businesswomen of Sudan face problems of negative attitudes of the general public.

Hypothesis 4: Businesswomen of Sudan face problems related to the bureaucratic government regulations on business start-up, taxes and labour.

1.4 Importance of the Study and Female Entrepreneurship in Sudan

The adoption of the SAP policies since 1990, the retrenchment of huge employees in the public sector and the protracted drought and civil war in the South and Darfur have all increased the poverty rates in Sudan since then (UNDP International Human Development Indicators, 2007/8, 2010/2011, Assahafa Daily, July 4, 2011, Issue No.6450). Acknowledging that women are one of the disadvantaged groups in the society, the various government strategies have then emphasized the role of women in economic development and reduction of poverty levels.

1.5 Scope of the Study

The scope of this study is extended to include female businesses:

- i. *with different sizes across different industries.*
- ii. *Spreading over different geographical locations in Sudan.*

With these two criteria in mind, this study has involved 142 female-owned businesses in different geographical locations and industries and of different sizes. Moreover, the researcher has also endeavored to make use of other secondary sources of data such as government publications and statistics produced by international agencies.

1.6 The Research Conceptual Framework and Definition of Female Entrepreneurship

The term entrepreneurship has always been difficult to define in precise terms (Dollier, 2003, Dollinger, 2003, p.5, Lazear, 2005, Orhan, 2005). This study embraces Lazear's (2005) definition of entrepreneurship in its wider context.

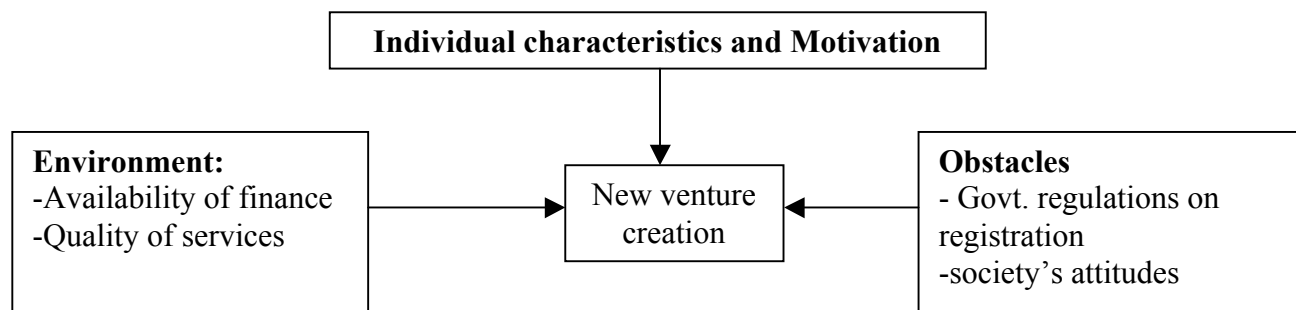
Female entrepreneurship is not only difficult to define but which dimensions to study can also be problematic. This is because of the possible discrimination against women (Bousetta, 2006).

Gartner (1985), on the other hand, has developed an elaborate conceptual framework that comprises four main dimensions including the environment, the individual, the organization and the process. In practical terms, however, no empirical studies have attempted to investigate all these variables of entrepreneurship at a time (Gartner (1985). Hence, this study will focus on many of Gartner's (1985) and Bousetta's (2006) variables on environment and individuals and few variables on the process dimension.

More specifically, this study will focus on the following *three dimensions* of female entrepreneurship in SUDAN:

- i. the individual characteristics and motivation of the woman entrepreneur herself in terms of her motivation and her personal traits such as need for achievement, self-confidence, propensity for taking risk and independence.
- ii. the opportunities offered by the female entrepreneur's environment such as availability of financial resources and infrastructural supporting services.
- iii. the constraints imposed by the female entrepreneur's environment such as the government's licensing regulations and society's attitudes to female entrepreneurship.

Figure 1: Research Conceptual Framework



To operationalize this framework used by the author, a detailed questionnaire is designed to measure these dimensions and variables.

2. Literature Review

2.1 Research on Female Entrepreneurship

The interest in women entrepreneurship has been fuelled by the increasing role women can play in economic development of both developed and developing countries alike (Chamlou and Yared, p.44, 2005). The available statistics also suggests that the economic involvement and number of women entrepreneurs in the Middle East and north Africa is far lower compared to that of the male entrepreneurs (Chamlou and Yared, p.45-47, 2005, Handoussa, 2005). Moreover, female entrepreneurship development has received less attention from the social science researchers in the Arab countries for quite a long time. Recently, however, a staggering body of literature has started to emerge. Although these studies have indicated little progress for female entrepreneurs, the general conclusion is that businesswomen are still at a disadvantage compared to businessmen (Chamlou and Yared, 2005, IFC, 2007, World Bank, 2007, Kobeissi, 2006, Bousetta, 2006, Abu Nahleh, 2006, Alia 2006, Al-Mahdi, 2006, El-Marhari, 2006 and El-Mahdi et al, 2006, Kobeissi, 2006, El-Osman, 2006, Fofana, 2006, Chennouf and Hafsi, 2006, Soliman et al 2006, Musa, 2006). The current trend in literature on the subject reflects more interest among African researchers in research institutions and civil organizations and pressure groups.

2.2 Emergence of Women Organizations in Sudan

It is worth mentioning here that many women organizations have been formed in Sudan which partly helped many women to go into business one way or another. The last twenty years have experienced proliferation of such organizations at the federal and state levels. According to some businesswomen we interviewed, the following are some of the women organizations established at the federal level:

1. Hawa Charitable Organization: It is based in the Ministry of Social Welfare (Khartoum) and aims at development of women in general,
2. Businesswomen Department of the National Congress (the ruling party), based in Khartoum,

3. The Sudanese Businesswomen Secretariat (SBS), and
4. The Sudanese Businesswomen Development Centre (SBWDC).

The most important of these is the Sudanese Businesswomen Secretariat (SBS) of the Sudanese Businessmen and Employers' Federation. The SBS is affiliated to the Sudanese Businessmen and Employers' Federation (SBEF) and is based in Khartoum and has branches in some states. Its main objectives include promoting economic empowerment of women, involving women in making the economic and social decisions of the country, enhancing relations with similar organizations inside and outside Sudan through participation in training programmes, conferences and workshops, organizing training courses and carry out research to support businesswomen activities, and helping businesswomen access to finance from the local and foreign institutions.

The researchers have paid many visits to the SBS to facilitate this research. In fact, the SBS has been very instrumental in this study. According to a number of businesswomen we interviewed, it is obvious that the SBS played a pivotal role in local and overseas training, organized successful conferences and exposed many businesswomen to successful experience of businesswomen in other countries.

3. Research Methodology

3.1 Introduction

This chapter will address the key question of how to carry out this study, answer the research questions and achieve the stated general and specific objectives.

3.2 Research Design

This research will make use of the survey method to collect vast quantity of data with a view to generalize his research findings.

3.3 Population and Sampling Design and Procedures

3.3.1 Sampling Frame

At the start of this study, the principal researcher approached both the Registrar of Companies of the Ministry of Justice and the SBS for statistical data on female businesses at the national level.

The objective was to establish the sample frame and hence the sample size. This statistics is not available to the Registrar of Companies and the SBS.

3.3.2 Sampling Procedure

This study, therefore, did not use any statistical method to determine or draw the sample size. Instead, the research sample was selected in a *directed manner* to have a representative sample including female businesses of varying sizes, industries and coming from different parts.

3.3.3 Sample Size

All in all, 142 female businesses have participated in this study. The researchers have made quite an effort to involve these companies which come from different industries, geographical locations and size.

3.4 Data Collection Methods

To make use of its advantages, the questionnaire will be used as the main instrument of data collection (Ticehurst and Veal, 2000). This questionnaire is centered around the dimensions and variables of female entrepreneurship we have discussed earlier. The use of questionnaires, however, is not without problems. The *risk* of low response rate is always there in Sudan. The negative attitudes of the average Sudanese to research and the time factor and the slow postal service are the main reasons therefor. Also, the principal researcher will make use of the interview's advantages (Brenner et al, 1985).

Moreover, the principal researcher plans to use secondary sources of data such as analysis of relevant documents from the various government departments, SBS and NGOs on the various programmes and initiatives launched to promote female entrepreneurship.

3.5 Data Analysis Methods

This research will use a simple method of quantitative analysis to show the general trend of businesswomen's opinions on various issues, their profile and characteristics. To this effect, the researcher will prepare frequency and percentage distributions in tabular and graphic forms.

4. Research Results and Findings

4.1 Introduction

This chapter will present the research results and discussions thereof. As such, the chapter will provide answers to the research questions and hypotheses.

4.2 Profile of Participating Women Businesses

Table 1 below summarizes the main features of the businesses of female entrepreneurs covered by this study in terms of geographical location, industry and size. In a nutshell, the table shows that the participating businesses come from different geographical locations and industries and have different sizes.

Table 1: Geographical Location, Industries and Size of Businesses of Women Entrepreneurs

Geographic location (State)	Total	Industry									
		Education	Agric.	Beauty & Cosmetics	Health	Manu fact.	Handi crafts	Servi-ces	Small & Micro enterprises (informal)	Employ-ing 10 or More (formal)	Unspe-cified
White Nile	14	6	1	2	2	0	1	2	11	1	2
Northern Kordofan	16	2	6	1	0	0	1	6	12	3	1
Gezira	25	3	2	1	10	2	1	6	23	2	0
Red Sea	8	1	0	0	0	1	0	6	4	1	3
Kassala	10	3	0	0	0	1	0	6	9	1	0
Gedaref	12	6	1	1	1	0	0	3	9	3	0
Khartoum	44	5	5	0	3	12	7	12	16	20	8
River Nile	13	6	3	1	1	1	0	1	11	2	0
Total	142	32	18	6	17	17	10	42	95	33	14

4.2.1 Date of Establishment

Table 2 below shows the establishment date and the legal form of the participating female businesses. The establishment date of these businesses, reveals an interesting fact: The vast majority, that is 133 (94%) of the participating businesses that have specified their inception date have been established after 1990, that is, following the Liberalization policies of the 1990s.

Table 2: Establishment Date and Organizational Form of Participating Female Businesses

Date Of Establishment			Form of Organization		
Before 1990	After 1990	Unspecified	Proprietorship	Limited partnership	Unlimited partnership
6(4%)	133(94%)	3(2%)	105(74%)	29(20%)	8(6%)

Because the period after 1990 covers a long time span of 21 years, it would be erroneous to attribute the proliferation of female businesses to the liberalization policies alone. The increasing number of women going into business may be in response to some other policy changes or changes in the business environment (Musa, 2002). In any case, this indicates that there is abundant supply of women entrepreneurs.

4.2.2 Organizational Form

A quick look at Table 2 above suggests that 105 (74%) of these businesses have been organized as proprietorships, that is, owned by one woman entrepreneur. This shows a preference for businesswomen to have their own business on their own. 37 (26%) businesses have been organized as either limited or unlimited partnerships. Nonetheless, partners are mainly members of the family such as husbands, brothers and sisters or sons. In general, this reflects the practice in Sudan which is very much in favour of establishing “family-owned-and-managed business.”

4.2.3 How Business Was Started

Table 3 below summarizes how businesswomen started up their businesses. Again it reflects businesswomen’s preference for starting their business alone as much as possible. Accordingly, 83(or 58%) of the surveyed businesswomen have made it clear that they owned the business alone right from the start. Not only that the majority of businesswomen started up their business on their own, but they are also keen to emphasize that they are also in charge, that is, they manage it also. This in turn tends to support the conclusions of previous studies in the Middle East and North Africa that businesswomen are no longer owners in name only (The World Bank, 2007).

Table 3: Mode of Starting-up Female Businesses

Started-up business alone	83(58%)
Starting-up business with husband/a family member/a colleague/a friend	55(39%)
Bought business from state/family member/non-family member	3(2%)
Inherited the business	1(1%)
Started-up business with foreign investors	0
Total	142(100%)

Even the 55(39%) businesswomen who needed start-up capital from other sources, preferred to approach very close family members such as husbands, brothers, sisters or sons. Again, this shows tendency to keep the new business within the immediate nuclear or extended family. This also indicates beliefs that direct family involvement in capital and management is essential for its success. It is therefore, quite normal for SMEs to have their workforce being family members (Rogers, 2005). For large businesses, however, businesswomen seek outside workforce but remain in charge of the key management positions.

4.2.4 Financial Performance

Table 4 below summarizes the financial performance of the participating women businesses. A quick scan of this table, shows beyond doubt that 119 (or 84%) of the participating businesses are doing well and making financial profits. Not only that ,but 71 (50%) of them maintain that this level of profits is not only satisfactory but was more than they have expected before starting up the business.99(63%) of these businesswomen have reinvested their profits in their businesses thus hoping to expand, increase sales and ultimately profits.

It is also interesting to note that 30 (19%) businesswomen who did financially well have also spent some of their income on household expenditures such as education of kids, health treatment and even building a house for the family. This suggests that some successful businesswomen have not only sustained their business in the relatively hostile environment of Sudan, but also managed to contribute to the household expenditures and hence reduced impoverishment of their families as a result of SAP.

Table 4: Financial Performance of Women Entrepreneurs' Businesses

<i>1. Financial Performance:</i>	
i. Companies making profits	119(84%)
ii. Companies making losses	17(10%)
iii. Not applicable (under construction/not answering)	6(4%)
<i>2. Opinion on profits:</i>	
i. Satisfactory	67(47%)
ii. Better than expected	4(3%)
iii. Less than expected	4(3%)
iv. Unpredictable	28(19%)
v. Unsatisfactory	18(13%)
vi. Not applicable (no answer/under construction/loss-making)	21(15%)
<i>3. Use of profits (155 responses):</i>	
i. Reinvested in business	98(63%)
ii. Spend on household	30(19%)
iii. Save	4(3%)
iv. Missing (no answer/making losses/under construction)	23(15%)

Not all businesswomen, however, are happy with the financial performance of their business. 50(35%) of businesswomen have complained that the profits their businesses make are less than expected, unpredictable or unsatisfactory and 17(10%) businesswomen made it clear that their businesses made losses. Table 5 below summarizes the position of the manufacturing enterprises in Khartoum North, the oldest industrial area in Sudan. Although Khartoum State has relatively a better infrastructure, yet Table 5 below shows that 58% of the manufacturing enterprises in the industrial area of Khartoum North have either closed down temporarily or permanently or even changed their activity altogether. During the data collection process, the researchers have met many businesswomen who used to run a factory but responded one way or another to these harsh problems. Some of them have leased their factories, some of them sold their business and some of them simply closed businesses down temporarily and started a new business mostly in the service sector.

Table 5: Position of Manufacturing Sector in Khartoum North*

Total no. of factories	Operating factories	Temporarily out of work	Permanently out of work	Factories changing activity
758	316	64	131	247
100%	42%	8%	17%	33%

*Sources: Chamber of Manufacturing Industries, Khartoum, Sudan, July 2011.

4.3 Profile of Women Entrepreneurs

In the following sections we will discuss the profile of women entrepreneurs and their personal characteristics/traits. These include age, family background, education background, employment history, motivating factors and personal characteristics.

4.3.1 Age

The following table shows the age distribution of the participating businesswomen. A quick look at Table 6 suggests that 91(64%) of the participating businesswomen are relatively young, aging between 25-45 years. This suggests that younger generations of women are more inclined to go into business than older generations. Many reasons may explain this positive trend such as better education, scarce jobs in the public sector and low salaries.

Table 6: Age Distribution of Businesswomen

25 years and under	2(1%)
26-35 years	18(13%)
36-45 years	71(50%)
46-55 years	29(20%)
56-65 years	12(8%)
Over 65 years	3(2%)
Unspecified (undecided)	7(5%)

4.3.2 Family Background

Table 7 below summarizes the family background of the participating businesswomen. 88 (62%) of the participating women have conceded that they come from business families where a close relative used to have his/her own business. That means the majority of the businesswomen in this study have been inspired by other members of the family who have successful businesses.

Table 7: Businesswomen’s Family Background and Work Experience/History

Family background	
- Family has business background	88(62%)
- Family background not in business	54(38%)
Work/Employment Experience	
- Worked for government department	41(29%)
- Worked for a public enterprise (PE)	19(13%)
- Worked in the private sector	36(25%)
- Self-employed	15(11%)
- Unemployed	31(22%)

This is more or less in line with the relevant literature (Langowitz and Minnit, 2007). At the same time, 54(38%) of the participating businesswomen came from traditional families where father used to be a farmer and mother a housewife and other family members without a business record. But all of them have been motivated one way or another to go into business.

4.3.3 Academic Qualifications and Training

Table 8 below summarizes the academic qualification of the participating businesswomen.

Table 8: Education Background and Training of Businesswomen

Academic Qualifications	
- Primary/secondary school	49(35%)
- Vocational training	4(3%)
- University/college	67(47%)
- Postgraduate	22(15%)
Training Areas (193 responses)	
- Accounting (book-keeping)	9(5%)
- Marketing	28(15%)
- Finance	26(13%)
- Technical/Specialized	34(18%)
- Legal (contract management)	6(3%)
- Management of small business	35(18%)
- Export/Import	6(3%)
- Othe (computer, e-commerce, etc	9(5%)
- Received no training	49(25%)

A quick look at this table shows clearly that the participating businesswomen are well-educated. 89 (62%) of them have received university and postgraduate education. The proliferation of

universities in the 1990s and the positive change of attitudes towards women education has undoubtedly increased the number of females going to university. The other 53 (38%) businesswomen have also have received reasonable education in the secondary schools and vocational training centres. It is fair to conclude, therefore, as elsewhere, “Female business owners tend to be generally well-educated.” (Taylor and Newcomer, 2005)

Asked about whether they have attended training programmes, a significant number of the businesswomen have responded positively. These businesswomen have attended a combination of short-term training courses on different subjects shown on Table 8 above. However, 49(25%) businesswomen, mainly based in the remote states other than Khartoum and Gezira, have not attended either of these training programmes. Businesswomen who are members of the SBS complained bitterly that they did not have the chance to attend these training courses because they have not been informed at all by the SBS or received a short notice. In fact, some of them have even accused the SBS of favouritism when it comes to paid training courses outside Sudan.

4.3.4 Employment /Work Experience

A quick look at Table 7 above on the employment history of these women entrepreneurs, also indicates that 96 (67%) of them have employment history in the public civil service, government enterprises or the private sector. It seems, as in other countries, “Their work experience in larger organizations equipped these women with the skills, knowledge and business contacts that enabled future business ventures.” (Lee, 2005). 15(11%) businesswomen have been self-employed before setting up their businesses. 31(22%) businesswomen, however, have no working experience at all. Most of these women were graduates and could not get jobs which are becoming increasingly precious because of the high unemployment in the country. These groups of businesswomen who have no employment history have become entrepreneurs for unique reasons cited by the literature as “push factors”. Such women have been forced to go into business because of the economic hardships of Sudan and the decline of the informal welfare system of the extended family. Thus, as Lazear (2005) argues this kind of women entrepreneurship is inspired by the wisdom of “necessity is the mother of invention.”

4.3.5 What Are the Motivations of the Female entrepreneurs of Sudan? (Research Question 1)

Table 9: Businesswomens' Motivation

Saw a profitable opportunity	41(29%)
Encouraging laws for female business	39(27%)
Previous salary was too low	21(15%)
Frustrated/bored with government/private employment	5(4%)
Lost job /expected to lose a job	7(5%)
Other	23(16%)
No answer	6(4%)

Table 9 below summarizes the various types of motivations that inspired businesswomen to start up their business. These included:

- i. Need to take a profitable opportunity
- ii. Need to take advantage of a new business climate
- iii. Need for job security
- iv. Need for more income or supplement income
- v. Need to support family/one's self
- vi. Other Motivating Factors

4.3.6 What Are the Personal Characteristics of the Female Entrepreneurs of Sudan? (Research Question 1)

Table 10 below gives a summary of the personal characteristics of the participating businesswomen. A quick look at the responses of these businesswomen indicates that businesswomen in Sudan have the same characteristics which the literature suggests as prerequisites for success in business (Taylor and Newcomer, 2005). Thus, a significant number of them have described themselves as high achievers, with practical skills, self-confident and sure of success and independent.

Table 10: Personal Characteristics of Women Entrepreneurs

A high achiever	80(56%)
A practical person with practical skills	80(56%)
Self-confident and sure of success	88(62%)
An independent person	36(25%)
A risk-taker	28(20%)
Other	2(1%)

In addition to these characteristics, few women entrepreneurs have described other unique gifts which they believe partly explain their success stories. Two women entrepreneurs, for instance, maintain that her strong belief in Allah (God) explains why her business turns out to be successful. Thus, contrary to what some literature suggests, religion (Islam) is now a factor which *gives businesswomen more confidence in success than deterring them*. In a way this reflects a significant change of attitudes of the society that paved the way for more businesswomen. Another businesswoman thinks that she is so *sociable* and acceptable by many that she can easily market her business. This businesswoman paid me a visit at the university and the researcher is surprised to know that she has many social connections. As a close society, it is also very true that socialization and interaction in Sudan help very much as a means of business promotion.

It is also noteworthy that only 28 (20%) of the participating women entrepreneurs have shown appetite for risk-taking. Again, this finding also confirms the literature findings that businesswomen are always less inclined to take risks than their male counterparts. Research in some countries concluded that “There is some evidence supporting the idea that women have low risk tolerance when making financial decisions” (Langowitz and Minnit, 2007). This risk aversion tendency of businesswomen explains in part why few businesswomen have approached commercial banks for funding as we will see later. Fear of default on bank loans and possible imprisonment have kept many businesswomen away from approaching banks for loans.

4.4 How Conducive is the Business Environment for Businesswomen in Terms of Availability of Finance? (Research Question 2)

4.4.1 Access to Traditional Banking System

Table 11 below summarizes the sources of finance women entrepreneurs have used to set up their business and finance their working capital requirements.

Table 11: Sources of finance businesswomen used

1. To set up their business:	
- Own savings	94(66%)
- Borrowing from family/friends	24(17%)
- Government funding programmes /banks	24(17%)
2. For working capital:	
- Own savings/retained earnings	90(63%)
- Government funding programmes /banks	52(37%)

A quick look at this table shows very clearly that 94 (66%) of the participating women have used their own or their relatives' savings to start-up their business. Likewise, 90 (63%) of businesswomen met their working capital needs out of the profits they made in the business. Most women entrepreneurs have accumulated these savings during employment in government or the private sector. In addition, some women have received their pensions when they retired or their end of service benefits when they were retrenched. It is very interesting however, to note that few businesswomen have increased their savings through subscription to private saving funds (locally known as Sarfa). Here a group of men or/ and women living in a nearby neighbourhood or working in the same workplace make a monthly contribution to a fund which goes to one of them at the end of the month.

In few cases, 24 (17%) businesswomen have also used the savings of their close relatives, especially husbands, or friends to set up a business. In very few cases, however, businesswomen have resorted to banks for loans to help them start-up their business.

This shows that the majority of the businesswomen have resorted to using their own savings and profits to set up and continue business rather than using the traditional banking system and government funding programmes. The reasons why only 24 (17%) businesswomen have turned to banks and government programmes to start up their businesses are four fold.

4.4.2 Problems of Traditional Bank Financing

The vast majority of businesswomen believe that the cost of finance - which is called in line with Sharia rules the profit margin- is too high. The following table shows the cost of finance and commissions charged by a leading private bank in Sudan. Obviously, charging a profit margin of 13% is much higher than in other Arab countries such as the United Arab Emirates where banks charge an average of 8% (Gulf News, May 30, 2011).

Table 12: Cost of finance and commissions charged by the Sudanese French Bank As of April 2011*

Commission for issuing letters of credit(L/C)	5%
Credits commission	2%
Commission of foreign transfers	.006%
Commission of local cash transfers	.004%
Commission of local account transfers	.003%
Commission of issuing cherub books	40 SDG
Profit margin for local finance	13%

**Source: Sudanese French Bank, Investment and Finance Administration, HO, Khartoum, Sudan.*

Some businesswomen have described very interesting stories in the questionnaire to support their opinion on the high cost of finance. Moreover, so many businesswomen find it difficult to provide guarantees banks ask for as a condition of lending. These banks ask for real estate guarantees which most of these businesses do not have or do not prepare balance sheets of their fixed assets. At other times commercial banks ask for personal guarantees which can take different forms. For example, the businesswoman seeking the loan has to look for someone with a bank account as a guarantor. This is difficult for many businesswomen to secure. At other times, the businesswoman has to write a cheque for the value of the requested loan. Again, many businesswomen find it difficult to provide such security for fear of default. In addition to the collateral requirements and high interest, banks normally give a short repayment period which many women entrepreneurs find it difficult to honour. To add to these difficulties, there are the problems of the lengthy paperwork involved and the time it takes to finally get a loan.

Finally, some businesswomen have accused bank officials of corruption and favouritism. They think that they are at a disadvantage because they have no personal connections with bank officials. Some businesswomen believe that bank funding goes to those who do not deserve it, in reference to bank clients who have good political or personal connections, widely known in Sudan as *Wasta*. In fact similar corruption charges of bank officials have been voiced recently by some members of the parliament (Assahafa, July 6, 2011).

Businesswomen who are involved in import operations, on the other hand, have experienced other problems of availability of hard currency and opening letters of credit according to the policies of the Central Bank of Sudan. These involve many formalities, a lot of paperwork, approvals of other government agencies, such as Ministry of Foreign Trade and the Ministry of

Finance and are generally time consuming. Moreover, imports involve transfer of hard currency which is in short supply in the country. In few cases, some businesswomen experienced shortage of local currency when they managed to secure bank loans. Finally, some businesswomen have complained that banks give them only one financing option that is Murabaha, and cannot go for the other Islamic financing techniques such as Mudaraba or Musharaka.

Risk Aversion

Many businesswomen perceive bank loans as a very risky business because of the obstacles described above. Some of them have told the researchers stories of businesswomen who obtained loans from banks, defaulted on payment and ended up in prison. Thus, although finance from commercial banks is equally difficult to obtain for businessmen as well and is not *gendered* in any way, it is obvious that it is even *more difficult* for businesswomen because of their tendency to avoid the risk involved. This is because “gender neutral barriers could have gender differentiated effects.” (The World Bank, 2007).

Religious Suspicions

Apart from risk aversion, however, some businesswomen have other good reasons for not approaching banks for funding. Some of them have made it very clear that they will not deal with banks for pure religious reasons. They consider the profit margin banks charge as interest which is prohibited by Islam. This is in spite of the fact that all banks, according to the government’s policy have to abide by Sharia law in their dealings. This position taken by these businesswomen is understandable in view of the fact that the Sudanese society is very religious. In fact, some members of the Parliament have already accused some bank officials of corruption and violating Sharia laws on bank lending (Assahafa, July 6, 2011).

Limited Outreach by Banks and Government Funding Programmes

Still, for some businesswomen, they have not tried to obtain loans from banks simply because there are no bank branches in their rural areas and they have to travel to urban centres where banks are concentrated. This, in addition to the above-mentioned reasons, has deterred them. Likewise, some of these businesswomen have not heard of the government’s funding programmes designed to help small and medium-sized businesses such as the microfinance initiative, the Family Bank, the Productive Family Fund and the Productive Graduate Fund. This

is especially true in the remote states such as Gedaref, Kassala, Northern Kordofan and the White Nile.

When asked to rank the problems they faced when they approached commercial banks for loans, businesswomen have more or less reiterated the same obstacles as Table 13 below indicates.

Table 13: Obstacles to borrowing from commercial banks

Obstacle	Ranking			
	Not an Obstacle	A minor obstacle	An average obstacle	A serious obstacle
1.collateral/guarantee requirements	18(13%)	9(6%)	14(10%)	65(46%)
2.bank paperwork/bureaucracy	14(10%)	8(6%)	32(23%)	46(32%)
3.high interest rates	4(3%)	8(6%)	20(14%)	68(48%)
4.corruption/treatment of bank officials	26(18%)	14(10%)	13(9%)	39(27%)
5.shortage of liquidity-local currency	26(18%)	22(15%)	13(9%)	30(21%)
6. shortage of liquidity-hard currency	20(14%)	4(3%)	4(3%)	56(39%)
7.short repayment period	-	-	-	22(15%)
No answer(not dealing with banks/missing)	36(25%)			

The findings of this study, therefore, tend to confirm the immense problems businesswomen of Sudan encountered in accessing finance from the traditional banking sector. These conclusions are in line with previous similar studies such as the one conducted by ElHiraika and Abu Ismail (2004) which concluded that “Commercial banks in Sudan are extremely small, generally undercapitalized and concentrated in greater Khartoum and other big cities. For a variety of reasons, bank lending to the private sector has been declining despite relatively liberal government policies in recent years.” The study also reinforces recent conclusions of the World Bank doing business reports on the poor ranking of Sudan on ease of getting credit (The World Bank, Doing Business Report, 2011).

The following summary of Sudan’s ranking *in doing business and getting credit* issued by the World Bank indicates the deterioration of the country’s performance on both indicators. Because of the negative change in getting credit, it is now even more difficult for companies to get a loan from a bank than in 2010.

Table 14: Sudan's ranking on ease of doing business and getting credit*

	2010	2011	change
Doing business	153	154	-1
Getting credit	135	138	-3

*Source: *Doing Business Reports, International Finance Corporation, the World Bank.*

Businesswomen's Satisfaction with Other Banking Services

In spite of the fact that the majority of businesswomen are dissatisfied with the lending conditions of the traditional banks, 104 (73%) of the participating businesswomen deal with banks on other services such as opening bank accounts (current, savings and investment), opening letters of credit, transferring money inside and outside Sudan. See Table 15 below. This demonstrates the desire of businesswomen to deal with the commercial banks on matters other than lending. This in turn indicates that businesswomen are aware of the importance of commercial banks for their business. 73(51%) of the participating women entrepreneurs have expressed entire satisfaction with these bank services.

Table 15: Businesswomen's satisfaction with other bank services

Businesswomen dealing with commercial banks	104(73%)
Businesswomen with no contacts with commercial banks	38(27%)
Businesswomen satisfied with other bank services	73(51%)
Businesswomen dissatisfied with other bank services	34(24%)
No answer	35(25%)

However, 34 (24%) of businesswomen are still not satisfied with these bank services and they raised the same concerns, that is bureaucracy and high cost, as with lending. It is these serious concerns, among others, that deterred 38 (27%) of businesswomen from dealing with commercial banks.

Access to Finance from New Government Funding Programmes

In spite of the fact that the majority of the participating businesswomen used their savings and profits, Table 11 shows that 24 (17%) and 52(37%) of the businesswomen have made use of new government funding programmes to set up their businesses and finance their working capital needs respectively. This group of businesswomen has indicated that they have made use of the government funding of the Microfinance Initiative (MFI). Very recently the government has also introduced new projects such as the Productive Family Project, the Productive Graduate Project

and the Family Bank. As the MFI is the biggest of these and seeks to work through the banking system, we will discuss it in more detail.

The Microfinance Initiative (MFI)

The government has shown serious concerns about the increasing poverty levels in Sudan since the introduction of SAPs back in the 1990s.

Within the UN Millennium Development Goals (MDG) initiative, the government of national unity has used microfinance as a central component of its poverty reduction strategy following the Comprehensive Peace Agreement in 2005. In 2006, the Central Bank of Sudan (CBS) has formulated the two-year strategy of National Vision for the development and expansion of the microfinance sector in Sudan. The most radical step was taken by the CBS in 2007 when it issued Circular 18/2007 in which it outlined its policies for the introduction and implementation of the microfinance initiative (MFI) by the financial sector. Accordingly, Islamic and conventional Banks are encouraged to allocate 12%, as a minimum, of their financial portfolios at any time to the microfinance sector to mitigate the intensity of poverty.

Circular 18/2007 then fixed a ceiling of Sudanese Pounds (SDG) 10,000 (equivalent to US \$ 4000 then) available for any project initiated by the poor. Recently this ceiling has been increased to SDG 20,000 (equivalent to US \$ 6,670) (Assahafa Daily Newspaper, July 2011). Moreover, the MFI has been extended to the unemployed fresh graduates. According to the Governor General of the CBS, the total funds available to the MFI in 2011 are SDG 2 billion (equivalent to US \$ 67 million). According to him, however, out of these funds available for the MFI, only 10% has been utilized by the intended beneficiaries. He attributed this to the ignorance of the poor of the availability of this fund, thus blaming the banks for limited outreach (Assahafa , July 6, 2011, Issue No.6452). Members of the parliament, who attacked commercial banks viciously, attributed this low utilization of the MFI funds to the high profit margin commercial banks charge (Assahafa, July, 6, 2011, Issue No.6452).

Whether the MFI has been effective as a source of finance for the disadvantaged groups of the society or not, remains to be investigated in a full scale study. The businesswomen whose opinion has been solicited on the matter have given a mixed reaction though. Some businesswomen, mainly based in Khartoum and Medani, have apparently benefited of the MFI

and were granted loans which have been instrumental in helping them set up their businesses. However, many businesswomen from remote states have not heard of this facility. This *information gap* seems to be the result of less publicity for such funding projects and possibly less effective businesswomen organizations which are all based in the capital Khartoum as we have already discussed. Moreover, it seems that the microfinance fund has suffered the same problems of the traditional banking system such as the high profit margin charged by banks giving funding within the MFI and the collateral requirement. (Assahafa, July 6, 2011)

4.5 How Conducive is the Business Environment for Businesswomen in Terms of Supporting Infrastructural Services? (Research Question 2)

In this part of the research we discuss what women entrepreneurs think of the investment climate and business environment.

4.5.1 Customs Services

Table 16 below summarizes the businesswomen's satisfaction with the customs services.

Table 16: Businesswomen's views on customs services

Excellent	4(3%)
Very good	5(4%)
Good	26(18%)
Bad	39(27%)
Very bad	16(11%)
No answer (not using service)	52(37%)

As far as the quality of the services of customs duties are concerned, the majority of the responding businesswomen have expressed dissatisfaction with the service. 55 (38%) of the participating businesswomen maintain that the customs authorities are providing a bad or a very bad service. This ratio soars up to 61 % (55/90) if calculated on the basis of the users of this service. This is mostly because of the long times it takes to clear goods and the high custom tariffs. The 35 (25%) businesswomen who expressed satisfaction with the customs services were mostly exempt of customs charges in line with the privileges of the investment acts. 52 (37%) of the participating businesswomen, however, did not answer this question since they are not involved in import or export operations.

4.5.2 Public Courts

When it comes to the services of the public courts in settling disputes in which some women entrepreneurs are involved, the majority of businesswomen have expressed dissatisfaction as Table 17 shows.

Table 17: Businesswomens' satisfaction with services of public courts

Excellent	6(4%)
Very good	6(4%)
Good	20(14%)
Bad	25(18%)
Very bad	25(18%)
No answer	60(42%)

This is especially true in the case of labour disputes and enforcement of contracts. 50 (36%) of the businesswomen who went to court, described public court services as bad or very bad. The major grievance against the services of the public courts is that it normally takes a long time before the final verdict is reached and implemented by the court. There are also fears on the part of some businesswomen that trying the government in public courts is like fighting a losing battle. It is also interesting to note that the findings of this study are in line with Sudan's ranking on enforcing contracts prepared by the World Bank as shown below on Table 18.

Table 18: Sudan's ranking on ease of doing business and enforcing contracts*

	2010	2011	change
Doing business	153	154	-1
Enforcing contracts	145	146	-1

**Source: Doing Business Reports, International Finance Corporation, the World Bank.*

Table 19 below indicates that the court services in Sudan have deteriorated further in 2011.

Table 19: Court procedures, time and cost in Sudan, Sub-Saharan Africa and OECD countries in 2011*

Indicator	Sudan	Sub-Saharan Africa	OECD
Procedures(number)	53	39.1	31.2
Time(days)it takes to file A case, in trial proceedings and enforcing a verdict	810	639.0	517.5
Cost(% of claim)	19.8	50.0	19.2

*Source: *Doing Business Reports, International Finance Corporation, the World Bank.*

4.5.3 Roads and Transport

On roads and transportation services, many businesswomen seemed to be satisfied therewith as Table 20 indicates. The table shows that 94 (66%) of the participating businesswomen think that the roads and transportation in the country are excellent, very good or good. Obviously, this is because the government has invested significantly on roads and bridges, especially in Khartoum State, following the discovery of oil in 1999 and the Comprehensive Peace Agreement in 2005.

Table 20: Businesswomen's satisfaction with roads and transports

Excellent	14(10%)
Very good	16(11%)
Good	64(45%)
Bad	25(18%)
Very bad	11(8%)
No answer	12(8%)

However, 36 (26%) of businesswomen still believe that roads and transportation services are bad or very bad. This is especially true in rural areas which are cut off during the rainy season.

4.5.4 Postal Services

Table 21 below summarizes the businesswomen's satisfaction with the postal services in the country. It shows very clearly that the majority of businesswomen seem to be satisfied with the postal services. 78 (67%) of the participating businesswomen think that the postal services are excellent, very good or good. This is largely due to the significant improvement in the postal services following the privatization measures in this sector. Many national and international companies that provide express mail services have been established since the early 1990s. 13 (9%) businesswomen, however, are still not impressed. This is largely because some rural areas still do not have access to these postal services. It is also interesting to note that 30 (27%) of the participating businesswomen did not answer this question as they no longer use the traditional

postal services. Most of them have shifted to the use of email because they have access to internet even in rural areas.

Table 21: Businesswomens' satisfaction with postal services

Excellent	25(18%)
Very good	26(18%)
Good	48(34%)
Bad	9(6%)
Very bad	4(3%)
No answer	30(27%)

4.5.5 Water and Drainage Systems

It is noteworthy that, as Table 22 indicates, the majority of the responding businesswomen have expressed dissatisfaction with the water and water drainage systems which are still in public (government) ownership. Thus, 70 (50%) of the participating businesswomen have described this service as bad or very bad. During the data collection several suburbs in Khartoum and Gezira states had experienced serious water cuts sometimes for three consecutive days. In some rural areas of distant states where some businesswomen are having their business, running water may be lacking altogether. Water shortage is especially acute during summer when demand soars. Furthermore, some businesses such as schools and factories are charged higher tariffs than households. Such businesses will have to pay what is known as commercial rates.

It is even worse for the water drainage system especially in industrial areas. In Khartoum State, for instance, the existing drainage system in many industrial areas is too old and crumbled. Businesses in such areas have to dispose of their industrial waste one way or another. This, of course, will increase the cost of doing business. In the distant states such as Northern Kordofan, Gedaref drainage systems simply do not exist. The Public Corporation for Water's plans to introduce prepayment of water charges has been halted for the moment due to public protests.

Table 22: Businesswomen's satisfaction with water services

Excellent	4(3%)
Very good	10(7%)
Good	28(20%)
Bad	45(32%)
Very Bad	25(18%)
No answer	30(21%)

4.5.6 Telephone Services

When it comes to the telephone services, however, businesswomen have painted a much brighter picture. It is beyond doubt, according to Table 23 below, that 127 (90%) of the participating businesswomen have expressed entire satisfaction with the telephone service and described it as excellent, very good or good. Since the early 1990s, the government has privatized the Public Corporation for Telecommunications and established a new company, Sudatel, instead. This is one of the success stories of the privatization programme of the government (Musa, 2000). Moreover, the government has opened up the telecommunications sector to national and foreign investors.

Table 23: Businesswomen's satisfaction with telephone services

Excellent	65(46%)
Very good	45(32%)
Good	17(12%)
Bad	0
Very bad	1(1%)
No answer	14(9%)

4.5.7 Internet Services

It is also obvious from Table 24 that the majority of businesswomen are very much satisfied with the internet service. 115 (84%) of them have access to the internet service. These businesswomen think that the service they receive is excellent, very good or good. That means all the businesswomen who use the internet service are satisfied with it. Thus, businesswomen in rural areas had access to vast information and opportunities which otherwise would not have been possible. Moreover, internet access made it feasible to communicate through email. The only problem of accessing internet, however, is the relatively high cost for the other 19 (16%) businesswomen who did not answer this question.

Table 24: Businesswomens’ satisfaction with the internet services

Excellent	54(38%)
Very good	34(24%)
Good	31(22%)
Bad	0
Very bad	0
No answer (not using service)	23(16%)

4.5.8 Electricity Supply

Shortage of electricity supply has long been one of the acute problems that faced business in the country (Musa, 1987, Musa, 2001). Hydroelectric power is problematic in hot and rainy summer when demand increases while supply decreases because mud blocks much of the turbines that generate much of the electricity power. It is very interesting to note, however, that the majority of the surveyed businesswomen have expressed their satisfaction with the electricity supply in the country Table 25 below shows. Thus, 98 (70%) of the businesswomen have agreed the electricity supply is excellent, very good or good. This unexpected result can be attributed to many reasons such as:

- i. Most of the businesswomen who expressed satisfaction with the electricity supply have their companies in sectors other than the manufacturing sector which require less energy,
- ii. Relative improvement in power supply following privatization of the electricity industry.

Table 25: Businesswomens’ satisfaction with electricity services

Excellent	15(11%)
Very good	25(18%)
Good	58(41%)
Bad	28(20%)
Very bad	5(3%)
No answer	11(7%)

However, for businesswomen who operate in the manufacturing sector, the shortage of electricity supply is far from over. 33 (23%) of the participating businesswomen still believe that the electricity supply is either bad or very bad. In summer, power failures are phenomenal for these industries. The available statistics shown on Table 26 below tend to confirm the harsh impact of the electricity shortage, together with the other problems, on the manufacturing sector. Moreover, businesses are charged a commercial rate which is normally higher than the household rate. (Assahafa, April, 2011).

Table 26: Position of factories in Khartoum North*

Sector	Operating factories	Factories out-of-work-(temporarily)	Factories out of work (permanently)	Factories under construction	Total
Food industries	63	19	43	6	131
Textile industry	8	3	10	0	21
Garments industry	7	0	5	0	12
Shoe and tanning industry	8	0	6	0	14
Wood industry	2	0	0	0	2
Paper industry	4	0	2	2	8
Printing industry	21	7	8	0	36
Chemical industry	72	13	26	19	130
Rubber industry	3	2	3	0	8
Construction materials industry	31	3	6	3	43
Iron/iron products industry	43	10	16	7	76
Equipment industry	7	1	1	0	9
Electric equipment industry	8	0	0	1	9
Furniture industry	16	1	3	0	20
Tobacco industry	2	0	0	0	2
Total	295	59	129	38	521

**Source: Chamber of Manufacturing Industries, the Sudanese Businessmen and Employers' Association, Khartoum, July 2011.*

4.5.9 Security

Generally speaking, the majority of the participating businesswomen have expressed their satisfaction with the security situation in the country. As Table 28 indicates, 102 (79%) of the businesswomen are of the view that the security in the country is excellent, very good or good. In fact, 11 (8%) of the participating businesswomen did not bother to answer this question because they don't think it is an issue any more. This seems to reflect the general sense of security following the implementation of the Comprehensive Peace Agreement (CPA) in 2005. Few businesswomen, however, have expressed security concerns. 19(13%) of the participating businesswomen have described the security situation in their states as bad or very bad. These businesswomen are mainly based in Gedaref and Kasala in Eastern Sudan and North Kordofan in the West. Businesswomen based in Eastern Sudan who are involved in border trade with Eritrea and Ethiopia have experienced road accidents due to land mines near border areas which were laid during the civil war.

Table 27: Businesswomen's satisfaction with security position

Excellent	28(20%)
Very good	21(15%)
Good	63(44%)
Bad	9(6%)
Very bad	10(7%)
No answer	11(8%)

It is also worth mentioning that businesswomen who are based in ElObied, Northern Kordofan have expressed worries about security following eruption of fighting in Southern Kordofan late June 2011 when they completed the questionnaire. It was refugees coming to North Kordofan and rumours that have fuelled these concerns. Since then the fighting has subsided and the security situation has improved in much of the state.

4.6 What are the Major Constraints Imposed by the Society's Attitudes to Women Entrepreneurs? (Research Question 3)

Table 29 below summarizes the businesswomen's opinion on the attitudes of the society towards them. It shows clearly that 104 (73%) of the responding businesswomen believe that the society has either very positive or positive attitudes towards them.

Table 28: Businesswomen's opinion on society's attitudes towards them

1. Society's attitudes towards businesswomen:	
Positive	84(59%)
Very positive	20(14%)
Negative	25(18%)
Very negative	6(4%)
No answer	7(5%)
2. Islam's impact on society's attitudes towards businesswomen:	
Positive	90(64%)
Has no impact	19(13%)
Has a negative impact	18(13%)
No answer	15(11%)

In fact, most of them believe that this issue no longer bothers them. Likewise, most of them believe that the society now cares more for how the businesswomen dress themselves in line with Sharia laws rather than questioning women going into business or work. It is beyond doubt, therefore, that there is a remarkable change of the society's attitudes in favour of women going into work or setting up their businesses. According to these businesswomen, this unprecedented change can be attributable to the following factors:

- i. the economic hardships and the rising cost of living which forced many women into business and employment,
- ii. with more educated women seeking and getting employment, the Sudanese society is becoming more receptive and tolerant for women going into business and work (Assahafa, June 6, 2011).

It is also interesting to note that 90 (64%) of the surveyed businesswomen have made it clear that Islam has also a positive impact on the society's attitudes. Many of them has cited the shining example of Sayeda Khadija Bint Khouwailid (peace be upon her) the first wife of Prophet Mohamed (peace be upon him) who was the first businesswoman in Islam. She used to run a profitable trading business in the Arabian peninsula during the early days of Islam. Thus, like women in the other parts of the Middle East and North Africa, businesswomen of Sudan now believe that "Islam has a powerful role model in the first wife of the Prophet Mohamed, Khadija" (The World Bank, 2007) rather than an obstacle. It would be erroneous, however, to give the impression that the society's attitudes has changed completely overnight in favour of female employment and entrepreneurship.³¹ (22%) of the surveyed businesswomen still believe that the society's attitudes towards them are still negative or very negative. This is especially true in the remote states and rural areas.

4.7 What Are the Major Constraints Imposed by the Government's Regulations on Business Start-up, Taxes and Labour that May Still Impede Female entrepreneurs of Sudan?(Research Question 3)

4.7.1 Government Regulations on Registration and Licensing

Responses of the businesswomen to our questions on the government regulations on registration and licensing suggests that these largely depends on the location, size, the nature of the business and whether the entrepreneur is interested to take advantage of the privileges promised by the investment encouragement acts at the federal and state levels. Therefore, for a businesswoman in some remote states who runs a small pastry or perfume business from home, she might not have a license. These businesswomen do so because they want to avoid taxes and the local charges imposed by the local authorities. For businesswomen who start up a small business on their own and outside home, they need only a commercial license from the local authority and possibly

another relevant government body. Businesswomen who run these SMEs do not have to register with the Registrar of Companies of the Ministry of Justice. But some of them find it necessary to register with the Registrar of Business Names of the Ministry of Justice to protect the trade mark of their products or services they produce against possible trade mark violation. This is very expensive and is time-consuming as it involves many procedures. The only few businesswomen who were lucky enough to collect their licenses the same day, may have some connections where they applied.

Thus, as many as 58 (41%) of the participating businesswomen who sought government approval and registration of their SMEs have managed to do it within a month. This process is even longer for businesswomen who have relatively big businesses and are ambitious enough to take advantage of the privileges promised by the investment acts.

Table 29: Estimated time length for securing government licensing

Same day	18(13%)
Within a month	58(41%)
1-3 months	16(11%)
4-6 months	12(8%)
More than 6 months	7(5%)
No answer (didn't seek licensing/didn't remember)	31(22%)

Some businesswomen have also complained of the difficulty to register with the various chambers of the Sudanese Businessmen and Employers' Association (SBEA), and hence the SBS. This is because membership of these chambers requires that a businesswoman should have permanent office premises or business names.

The conclusions of this study are in agreement with the findings of similar statistics compiled by the World Bank Group shown on Table 30.

Table 30: Sudan's ranking on ease of doing business and starting business*

	2010	2011	change
Doing business	153	154	-1
Starting a business	118	121	-3

**Source: Doing Business Reports, International Finance Corporation, the World Bank, 2011.*

The statistics on Table 31 shows clearly the many procedures entrepreneurs have to go through in different government departments in comparison to other Sub-Saharan African and OECD

countries. It also shows that on average entrepreneurs in Sudan need 36 days to do the procedures necessary to start up their business.

Table 31: Sudan’s ranking on time and number of procedures to start business*

Indicator	Sudan	Sub-Saharan Africa	OECD
Procedures (number)	10	8.9	5.6
Time (days)	36	45.2	13.8

*Source: *Doing Business Reports, International Finance Corporation, the World Bank, 2011.*

Table 32, on the other hand, gives more details on the various procedures, the time they take and the cost of each. Again this reinforces the conclusions of this study that starting up a business in Sudan is not only time-consuming but also expensive.

Table 32: Time and costs of starting up a business in Sudan*1

Serial No.	Procedure	Time to complete	Associated costs
1	Submitting application to register and reserve company name	3 days	SDG 120
2	Notarize memo and articles of association	2 days	SDG 350
3	Notify taxation chambers	1 day	SDG 55
4	Register with commercial registry	4 days	No charge*2
5	Conduct site inspection	2 days	No charge
6	Apply for tax identification No.	1-2 days	SDG 5
7	Register for VAT	2 days	No charge
8	Register with labour authorities	14 days	SDG 192
9	Enroll employees for social security	3-7 days	SDG 25
10	Make a company seal	2 days	SDG 40

*1 Source: *Doing Business Reports, International Finance Corporation, the World Bank, 2011.*

*2 This includes stamp duty and other application and administrative fees that take place with another procedure.

4.7.2 Government Taxes and Charges

Payment of Taxes

Businesswomen who completed the questionnaire have identified a number of taxes they paid, the most important of which is the business profit tax, which can reach up to 15% maximum. A quick look at Table 34 suggests that 90 (63%) of the participating businesswomen, whose businesses are of medium and large size, have paid one form of tax or another, in addition to the business profit tax. 48 (34%) of the participating businesswomen believe that the business profit tax is high, very high or unfair.

Table 33: Businesswomens' views on taxes

Payment of taxes:	
- Yes	90(63%)
- No	30(21%)
- No answer	22(15%)
Experiencing tax disputes:	
- Yes	46(32%)
- No	68(48%)
- No answer	28(20%)
Perceived level of taxes paid:	
- Low	1(1%)
- Reasonable	29(20%)
- High	35(25%)
- Very High	11(8%)
- Unfair	2(1%)
- No answer	64(45%)
Payment of other local charges:	
- Yes	105(74%)
- No	13(9%)
- No answer	24(17%)

These businesswomen complained bitterly about the way the business profit tax is estimated rather than the official tax rates. A similar number have experienced tax disputes with tax authorities at the federal or state level. These disputes arise mainly because of how the tax authorities estimate the business profit tax.

The main reason why the tax authorities do the estimation is because they don't trust the financial statements certified by the external auditors. The practice of tax evasion by companies through misstatement of financial statements is well known in Sudan for some time. In some cases, some businesses are forced to pay business profit taxes although their tax declaration shows losses.

In many cases, these tax disputes are settled through a compromise between the businesses and the tax authorities. Otherwise, these tax disputes are referred to the Tax Court. The settlement of such disputes, as is the case with other civil cases, is normally time-consuming. The tax rates may also rise. Recently, for instance, the Minister of Finance has issued a decree to impose a-15% VAT on capital and strategic commodities such as cement, steel, wood, vehicles, sugar, spare parts, milk, oil and wheat flour (Assahafa, 2012).It is also noteworthy that big and medium-sized businesses also pay Zakat, which amounts to 2.5% of the company's net worth,

that is, total assets less liabilities. Many businesswomen see this as unfair and as a double taxation.

30 (21%) of the participating businesswomen responded that they have not paid taxes. Officially, these businesswomen are exempt from payment of business profit tax for one reason or another. In practical terms, however, this is hardly the case since they are expected to pay other charges which are more or less a form of taxes. A businesswoman who runs a nursery and a primary school, for instance, pays the following charges:

1. Annual fees of SDG 5,000 (equivalent of US\$ 1,666) to renew the licence,
2. Payment of 2% of each student's fees to the State Ministry of Education,
3. Payment of stamp taxes affixed to receipts the school issue, and
4. Payment of SDG 5 for each exam paper prepared by the Ministry,
5. Plus occasional contributions to school celebrations.

Businesswomen who run very small businesses and who do not pay business profit tax, have to pay license fees as already discussed. Moreover, in addition to payment of business profit taxes, the majority of businesswomen, that is 105 or 74% of them, also pay other charges levied by the municipalities (localities) such as garbage and service charges. Because of the immense problems associated with the estimation of business profit taxes, some of the participating businesswomen have avoided payment of taxes by doing business from home.

4.7.3 Government Regulations on Labour

Table 35 below summarizes the responses of the participating businesswomen to questions on labour regulations. Accordingly, 56 (39%) businesswomen maintain that these regulations are fair to the business owners. 24 (17%) businesswomen, however, think otherwise. This group of women entrepreneurs thinks that the labour regulations mostly side with workers especially when it comes to dismissals for economic or disciplinary reasons. 17 (12%) businesswomen, on the other hand, think that labour regulations are bureaucratic especially in labour disputes taken to labour courts. 45 (32%) of businesswomen think this issue is hardly relevant to them and did not bother to answer.

Table 34: Businesswomen's attitudes to government labour regulations

1. Attitudes to labour regulations:	
Fair	56(39%)
Unfair	24(17%)
Bureaucratic	17(12%)
No answer	45(32%)
2. Stability of industrial relations:	
Stable (no strikes)	108(76%)
Unstable (strikes)	6(4%)
No answer	28(20%)

108 (76%) of the participating businesswomen have reported that they have not experienced industrial unrest in their businesses. This industrial stability could be attributed to many reasons such as workers not being unionized in these small businesses and the fact that in many cases the small labour force comes mainly from the extended family of the businesswoman.

It is fair to say, therefore, that the government's labour regulations have not been much of a problem to businesswomen. Instead, businesswomen have complained of other labour problems such as lack of discipline among workers. It is no wonder therefore that some businesses are now employing foreign workers in spite of the high unemployment rate in Sudan. It is estimated that as many as 60,000 foreign workers, mainly Asians, are now employed in various sectors of the economy (Assahafa, June 6, 2011).

5. Conclusions and Recommendations

5.1 Introduction

This chapter will highlight the main conclusions of this study and the recommendations necessary to improve the investment climate and business environment not only for businesswomen but for investors at large. These will be based on the research results and also the deliberations of the communication workshop organized in February 2012.

5.2 Conclusions

5.2.1 On Profile of Participating Women Businesses

Our discussions show that female entrepreneurship in Sudan, as elsewhere, is not in short supply. During the last two decades of promotion of the private sector in the country, businesswomen have shown an impressive response and made a significant progress. Thus, quite a number of businesswomen have emerged in various states of Sudan, owning and running successful

businesses in different industries and of varying sizes. However, businesswomen's economic participation in Sudan, as elsewhere in the Middle East and North Africa (The World Bank, 2007), is still far lower than their potential.

5.2.2 On Profile of Participating Women Entrepreneurs

Description of the profile of women entrepreneurs in Sudan has shown similar patterns as in other developing countries. It shows that the vast majority are well-educated, have reasonable work/employment experience with the public/private sector before they set up their business, have similar motives for going into business like their male counterparts and have acquired personal traits/characteristics necessary for success in business.

5.2.3 On Businesswomen's Access to Finance

All in all, one can conclude that the majority of businesswomen in Sudan have no easy and affordable access to sources of finance other than their own resources, their families' and friends'. While we have no reason to conclude that this is a 100 percent gender-sensitive issue in Sudan, that is peculiar to businesswomen than businessmen, it is certain that this problem is exacerbated by the businesswomen's tendency to *avert risk*. It is also fair to conclude that the government has introduced some funding programmes to ease the problems associated with financing from the traditional banking sector. Available information on these initiatives, however, tends to suggest that they have not been efficient so far. The findings of this study, therefore, confirm the first research hypothesis which states that *Businesswomen in Sudan have difficulties accessing finance from the traditional banking system and other sources of government funding*.

5.2.4 On Businesswomen's Attitudes to Infrastructure and Public Services

In conclusion, it is clear that a significant improvement has taken place in many aspects of the infrastructural and public services such as roads and transportation, postal services, telephone services, internet services, and security services. In all these sectors the government has implemented an aggressive privatization programme in which the public enterprises were either privatized or the private sector was allowed to enter and do business.

However, the government has to do more to improve the customs, electricity and water supplies and drainage services. Moreover, charging businesses higher commercial rates for water,

electricity, customs and public court services significantly increase their operating costs, greatly reduce their competitiveness and ultimately drive them out of the market. Thus, the findings of this study, therefore, tend to confirm the second hypothesis that businesswomen in Sudan still face problems posed by inadequate or expensive public services especially in the energy sector. But it is also fair to argue that these remaining problems are neither gendered nor deterrent to entry into business.

5.2.5 On Society's Attitudes to Female Entrepreneurs

With many women receiving higher education, emergence of women and government-backed organizations working for economic and political empowerment of women, the economic hardships inflicted by SAPs, the society's attitudes have undergone a significant change in favour of female work and entrepreneurship. In fact this seems to be part of a wider change of attitudes towards women entrepreneurs sweeping across the Islamic world. This revival process, normally referred to as moderate Islam, is using Khadija Bint Khuwailid, the first wife of Prophet Mohamed peace be upon him, as a role model to fight for economic empowerment of women. Hence, the findings of this study *do not support hypothesis 3* which states that businesswomen of Sudan face problems of negative attitudes of the general public.

5.2.6 On Government Regulations on Registration and Licensing of Business

The findings of this study, therefore, tend to suggest that businesswomen face serious regulatory problems when they decide to go into business and set up their businesses. Although the time-consuming and expensive government regulations on starting up a business are by no means gender-sensitive, yet they represent a serious problem for businesswomen.

5.2.7 On Government Regulations on Taxes

The findings of this study tend to indicate that businesswomen of Sudan are required to pay relatively higher and numerous taxes at the federal and/or state level. Again these conclusions are more or less in line with the annual report of Doing Business published by the World Bank. In its 2011 report, Sudan ranks 94 instead of 90 in 2010, which indicates more tendency to impose more taxes on business as Table 36 shows.

Table 35: Sudan's ranking on ease of doing business and starting business*

	2010	2011	change
Doing business	153	154	-1
Paying taxes	90	94	- 4

**Source: Doing Business Reports, International Finance Corporation, the World Bank, 2011.*

Furthermore, Table 36 below shows the tax performance of the country on a number of indicators, whereas Table 37 gives breakdown for the first three indicators.

Table 36: Sudan's comparative performance on tax indicators *

Indicator	Sudan	Sub-Saharan Africa	OECD
Payments (number per year)	42	37.3	14.2
Time (hours per year)	180	315.1	199.3
Total tax rate (% profit)	36.1	68.1	43.0
Profit tax (%)	13.8	23.1	16.8
Labor tax and contribution (%)	19.2	13.5	23.3
Other taxes (%)	3.1	31.5	3.0

**Source: Doing Business Reports, International Finance Corporation, the World Bank, 2011.*

Table 37: Types of taxes, number of payments and total tax rates of Sudan*

Tax/mandatory contribution	Payments	Time hrs	Statutory tax rate	base	Total tax rate (% profit)
Social security fund	12	70	17.0%	gross salaries	19.2
Corporate income tax	1	70	15.0%	taxable profit	13.6
Capital tax	1		5.0%	land & vehicle value	2.7
Capital gains tax	1		5.0%	capital gains	.3
State business tax	1		SDG 20,000		.2
Vehicle tax	1		SDG 17,000		.2
Stamp duty	12		SDG 10/month		0
Sales tax	12	40	15.0%	value added	
Municipal business tax	1		various rates		-
Totals	42	180			36.1

**Source: Doing Business Reports, International Finance Corporation, the World Bank, 2011.*

All in all, therefore, the relatively higher business taxes, the multiplicity of these business taxes and the time-consuming process of estimating these taxes, have caused businesswomen immense difficulties.

5.3 Overall Conclusions

In its entirety, this study looks into the obstacles that still represent a barrier to women entrepreneurship in Sudan. All in all, the businesswomen who participated in this study have acquired entrepreneurial talents/characteristics similar to those demonstrated by businesswomen in other countries (Fielden and Davidson, 2005). Through running financially profitable businesses, the study proves that businesswomen in Sudan have contributed significantly to the social and economic development in the country and the reduction of poverty and unemployment levels. The study has found out that businesswomen have immense problems accessing finance from the traditional banking system. This is mainly due to the collateral requirements, high cost of finance and short lending period. These businesswomen have also experienced similar problems with the government's funding programmes such as the microfinance initiative. Evidently, therefore, this still represents a serious barrier to businesswomen. Although this problem is not gender-sensitive, it is certainly exacerbated by businesswomen's less appetite for risk-taking.

The research findings also tend to indicate serious problems which businesswomen still face in a number of infrastructural and public services such as customs, public courts, electricity and water. However, businesswomen have expressed satisfaction with a number of public services such as telephone, internet, roads and transport and postal services. It is obvious, therefore, that the government has made good progress in improving the quality of business climate and reducing costs for the private enterprise sector. This has been made possible by the government's privatization policies in these sectors. Contrary to what the literature suggests, the participating businesswomen believe that the society's attitudes to women entrepreneurship are mostly positive and encouraging.

Finally, the research findings tend to suggest that the government regulations on starting up and registering business and tax payment represent a serious problem and a barrier to many businesswomen. It is fair to say that the government regulations on taxes, starting up and registering a business are by all accounts the most serious barrier to businesswomen and businessmen alike.

5.4 Study Recommendations

This research provides good evidence that Sudan, like many other countries, is never short of women entrepreneurship. What is evident is that there are many barriers that reduce their economic participation. These problems are by no means gender-specific. Solving these problems, therefore, does not only empower women economically, but improves the country's ranking position in doing business and attracts much needed national and foreign investment.

To start with, it is worth mentioning that the government has made some progress in improving some aspects of the business and investment climate in the country since the introduction of its liberalization policies in 1990. Following are some recommendations on how to improve the investment climate in the country. These recommendations are largely based on businesswomen's responses as to how the government can help them solve different problems they face.

5.4.1 Make Microfinance Easily Accessible to Businesswomen

Because the funds are available, the Central Bank of Sudan needs to ensure that the traditional commercial banks introduce the necessary structures and policies to make microfinance available to businesswomen at a lower cost, with minimum delays and paperwork and without the need for guarantees.

5.4.2 Improve Infrastructural and Public Services

Based on its success in improving the transportation, telecommunications, internet and postal services through privatization, the government should also press ahead with these reforms in the electricity and water sectors.

5.4.3 Streamline Government Regulations on Starting-up Business and Licensing

The government should review its investment acts and procedures in such a way to speed up the process of starting up and licensing a business at both the federal and state levels.

5.4.4 Introduce Tax Reforms and Incentives

In order to make it easier to do business, the government should introduce tax reforms and incentives. Ultimately, these should reduce the number of different taxes businesses pay and the time it takes to estimate them.

5.4.5 Empowerment of Businesswomen in the Informal Sector

Although some women businesses are of large and medium size, the majority of businesswomen own SMEs. As these businesswomen in the informal sector represent a reservoir of potential successful entrepreneurs who can expand and grow, they should be represented in the SBEF and SBS one way or another (AbdelRahman, 2012).

5.4.6 Enhancing University and Businesswomen's Organizations

Participants of the communication workshop held to disseminate the research findings have commended the excellent research work the team of SIU have performed. They stressed the need to continue this co-operation with SIU and other universities in future especially in research and training.

5.5 Implications for Future Research

This research has uncovered a number of research issues which can be addressed in future studies. One of these is related to the effectiveness of the microfinance initiative. The other research issues are related to the impact of many women being involved in business. These include investigating the possible role conflict for businesswomen in doing business and whether going into business empowers businesswomen that are give them more say, at the household level.

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