

SOCIAL CAPITAL AND THE PERFORMANCE OF WOMEN AGRIPRENEURS IN OSUN STATE, NIGERIA

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Abstract. This study focused on the assessment of social capital and the performance of women-owned agricultural based enterprises in Osun State. A multi-stage sampling technique was used to sample 140 respondents. Descriptive, Z-test and regression testing were employed for analyses. A large proportion (83.6%) of the respondents were young adults and middle-aged adults with the mean age being 45.1 years. The majority (76.4%) of the women agribpreneurs had a formal education. Most (73.6%) of the respondents got their capital from personal savings and cooperative society. The results indicate that 60.0% of the businesses were new businesses that started from scratch. The results show that most (77.7%) of the women agribpreneurs in the study area were involved in social capital with the majority of them in cooperative societies. The mean membership index was 51.8% implying a high number of active members amongst women agribpreneurs in an existing association. The mean homogeneity index was 76.5%, implying association was perfectly homogenous. The result shows that the level of trust was generally low among all the enterprises with an index of 31.1%. The mean meeting attendance was 82.5% and the mean labor contribution index was 36.4%. The result shows that members in an association have the highest mean profit of ₦120,656.80 while the respondents that are not in any association have a mean profit of ₦90,295.56. Also the findings showed that there was a significant difference in the profit of women agribpreneurs who are members of an association and those who are non-members. Out of the five social capital variables included in the regression model, three (homogeneity index, labor contribution index, level of trust) significantly influenced the performance of women agribpreneurs in Osun State. Therefore, women agribpreneurs in Osun State should be encouraged to

belong to a social association since social capital significantly influenced performance.

Keywords: social capital, women, agribpreneurs, performance, Osun State

INTRODUCTION

The contributions of women are no longer debatable as numerous scholars have stated that African women provide some 60-80% of food for family consumption and that the economic growth of some nations is attributable to female entrepreneurs (Delavella and Rouanet, 2020). In Nigeria, women entrepreneurs are major contributors to economic growth and employment generation (Alsos et al., 2017). Statistics have shown that women constitute about 50% of the Nigerian population and out of this only about 35% of them are involved in any sort of entrepreneurial activity, which can be under the form of micro, small, medium and large enterprises (Odoemene, 2018). Consequently women make significant contributions to their families and country at large, particularly in this era of economic distress, and they are the major contributors to economic growth because, without any doubt, they are generating employment.

Women entrepreneurs' development, especially in rural areas, is faced with several challenges that limit their development and prevent the full expression of

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their productive capacity. Access to education is a challenge to women entrepreneurs because more than 60% of rural women dedicated to agriculture can neither read nor write. Other issues are limited access to productive inputs, particularly to land ownership and insufficient credit. All of these have resulted in increased migrations to urban areas, particularly by young women. Female entrepreneurs have fewer resources for business expansions, specifically, insufficient business experience and a lack of freedom from household responsibilities, than male counterparts. This difference partially accounts for the weaker growth intentions of female entrepreneurs (Ukonu and Tafamel, 2011).

Social capital, as an intangible asset (Adler and Kwon, 2002), not only encourages cooperation and innovative interaction, but also facilitates the learning process by increasing operational productivity, especially by weeding out worthless information, building efficient information distribution channels and providing an opportunity for compatibility (Broumand and Jalili, 2007). Also, social capital is often considered as the main factor for reinforcing competitive advantage, creating innovation for new investments and establishing a new business, mainly where knowledge and human resources are available (Fabová and Janáková, 2015). Social capital has been attributed to helping businesses develop better communication, more efficient collective actions, improved stock management and efficient use of intellectual capital, as well as better access to resources required for business growth (Adler and Kwon, 2002).

Female entrepreneurs are more likely to participate in local networks than male entrepreneurs because they are reluctant to travel far. Female entrepreneurs tend to prefer less formal, experienced-based training, to learn from women and to be helped by other women's networks. Networks of women are similar and are more likely to participate in gender homogeneous networks than their male counterparts.

Despite several studies carried out on social capital and business performance in both developing and developed countries (Cote and Healy, 2001; Batjargal, 2003; Cantner and Stützer, 2010; Fatoki, 2011; Durojaiye et al., 2013; Tundui and Tundui, 2013; Omonona et al., 2014; Hillary et al., 2015; Micah, 2015; Olawuyi and Olawuyi, 2015; Salman and Ekong, 2015; Mozumdar et al., 2017; Akinlade, 2018; Ganiyu and Olawuyi, 2018; Lowrince et al., 2019), there is still a perceived gap in

the influence of social capital in relation to the business performance of the women agripreneurs. Therefore, this study will fill the gap by assessing the effect of social capital on the business performance of the women agripreneurs in Osun State.

RESEARCH METHODS

The study area was Ede-south Local Government Area, Osun State, Nigeria. Ede-south is a Local Government in Osun State, with headquarters in the town of Ede and the LGA is bounded to the south by Aiyedaade. Ede-south Local Government area is in Osun west senatorial District. The area covers an area of 219 km² and has a population of 75,489 which comprises of 38,233 males and 37,256 females. The area is dominated with many households.

This study adopted a survey research design with a structured questionnaire as a research instrument. The multistage sampling technique was employed to select the women agripreneurs in the study area. The first stage involves the purposive selection of Ede-south LGA in Osun State. The second stage is the purposive selection of five major women-owned enterprises in the study area. These enterprises include: garri processing, mat making, crop farming, poultry and oil palm processing. The last stage involves the random selection of 30 women agripreneurs from each of the 5 enterprises. Hence, 150 copies of the questionnaire were distributed to respondents but 140 copies were retrieved and the retrieval rate was 93.3%.

Method of data analysis

Both linear regression model and descriptive statistical tools were used to analyze the data.

Descriptive statistics: mean, standard deviation, frequency and percentage were used to determine the socio-economic characteristics of the respondents as well as to profile the social capital status of the women agripreneurs in Osun State.

Linear regression model: This is used to analyze and examine the influence of social capital on the business performance of women agripreneurs.

Business performance of women agripreneurs is hypothesized to be influenced by the independent variables included in the equation below:

$$\ln Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_{10} X_{10} + e_i$$

Where:

$\ln Y$ – Performance proxy Profit of the enterprises
 Profitability = current sales – current expenses (N per year)

Social capital variables:

- X_1 – level of trust (%)
- X_2 – membership density of entrepreneurs in association (%)
- X_3 – labor contribution of entrepreneurs to association (Naira)
- X_4 – meeting attendance index of entrepreneurs in association (%)
- X_5 – homogeneity index of associations (%)
- X_6 – age of the respondents (years)
- X_7 – marital status of the respondents (D – 1 if married, otherwise D – 0)
- X_8 – years of formal education of the respondents (years)
- X_9 – primary occupation
- X_{10} – business experience
- e_i – error term.

The measurement of each Social Capital (SC) variable used in the model above is as described below:

Membership density: This is measured by the number of active memberships of each respondent in existing associations. A complete inventory of all associations was made at local level institutions; each respondent was then given that inventory and asked which associations they were a member of, in other words, the proportion of membership of associations by individuals is found and rescaled to 100 (Grootaert, 1999; Balogun et al., 2011).

Homogeneity index: On each of the five (5) associations, each agripreneur answered questions on whether members live in the same neighborhood, are of the same kin group, same occupation, income group, religion, gender and same age group. A Yes response was coded two (2) while No was coded one (1) on that basis for each of the factors. If the mean is 100%, it is highly homogenous (Omonona et al., 2014).

Meeting attendance index: This index was measured by finding the number of times members of an association actually met as a group over a period of time. This is obtained by totalling up the attendance of the individual members at a meeting and relating it to the number of scheduled meetings of the associations. The value is multiplied by 100.

Labor contribution index/Level of trust: the index was measured by the responses given by the respondents. A Yes response was coded two (2) while No was coded one (1) on that basis for each of the factors (Balogun et al., 2011). Then it was multiplied by 12 for each association, which represents the highest labor contribution index/level of trust. The scores of the six associations were averaged for each respondent by dividing by the maximum score 24 to obtain the index.

A priori expectations of variables: level of trust, membership density, homogeneity index, labor contribution index, meeting attendance index should be positively related to performance.

RESULTS AND DISCUSSION

Socio economic characteristics of women agripreneurs

Table 1 presents the socioeconomic characteristics of women agripreneurs. The results reveal that the majority (45.7%) of the respondents are within the age range of 35–45 years, 23.6% of the respondents are within the age range of 46–55 years, 16.4% of the respondents are greater than 55 years and 14.3% of respondents are less than 35 years. Also, the mean age was 45.1 years.

Table 1. Socio-economic characteristics of women agripreneurs

Variables	Percentage	Variables	Percentage
Marital status		Level of education	
single	13.57	No formal	23.57
married	68.57	Primary	15.00
divorced	6.43	Secondary	38.57
widowed	11.43	Tertiary	22.86
Age		Religion	
<35	14.29	Christianity	56.43
35–45	45.71	Islamic	40.00
46–55	23.57	Traditional	3.57
>55	16.43		
Mean (year)	45.05		
SD	11.04		

Source: field survey, 2019.

Implicit in these findings is that a large proportion of the respondents were young adults and middle-aged adults who can be regarded as active, agile and physically disposed to pursue economic activities. The results showed that 56.4% of the respondents are Christians, 40.0% of the respondents are Muslim while 3.6% are traditional worshippers. This is an indication that the majority of the respondents are Christians. The results showed that 68.6% of the respondents are married, 13.6% are singles, and 11.4% are widowed while 6.4% are divorced. Participants who are married tend to participate more in association than the other marital statuses. The results revealed that among the respondents, 38.6% had secondary level of education, 23.6% of the respondents had no formal education, and 22.9% of the respondents had tertiary level of education, while 15.0% of the respondents had primary level of education. It can then be concluded that most participants in the study area only had formal education which is expected to enhance the realization of the importance of joining an association.

Enterprise information of women agripreneurs

Table 2 shows the enterprise information of women agripreneurs. The result revealed that 34.3% of the respondents are into garri processing, 30.0% are into crop farming, 12.9% are into poultry management while mat

making and oil palm processing have the lowest percentage: 11.4%. The results reveal that 39.4% of the respondents fall within the range of 4–9 years of experience, 27.1% had less than or equal to 3 years of experience, 20.7% had experience years greater than 15, while 12.9% fell within the range of 10–14 years of experience. The result showed that 60% of the respondents' start-up capital was from their personal savings, 13.6% from the group/cooperative societies, 8.6% from friends and relatives, 5.7% were obtained from banks, 5.7% were also obtained from local lenders, 5.0% got theirs from government agencies and 1.4% replied none. The implication of this finding is that most of the respondents got their start-up capital from personal savings. The result indicates that 60.0% of the businesses were new businesses that started from scratch, 21.4% inherited the businesses from family members, 14.3% of the businesses were created from existing business enterprises and 4.3% were recreated from dead business. The implication is that most of the respondents are necessity entrepreneurs. This shows the inherent benefit of entrepreneurship, that is, employment generation.

Involvement in social capital by women agripreneurs

The result shows that most (77.7%) of the women Agripreneurs in the study area were involved in social capital

Table 2. Enterprise information of women agripreneurs

Variables	Percentage	Variables	Percentage
Sources of start-up Capital		Enterprise	
Banks	5.71	Garri processing	34.29
Government agencies	5.00	Mat making	11.43
Cooperative society	13.57	Crop farming	30.00
Personal savings	61.43	Poultry	12.86
Local lenders	5.71	Oil palm processing	11.43
Friends and relatives	8.57	How the Business starts	
		Completely new business	60.00
		Created from existing ent	14.29
		Recreating a dead business	4.29
		Inherited	21.43

Source: field survey, 2019.

with 34.5% of the respondents engaged in cooperative societies, 20.1% were in farmers' associations, 9.5% intraders' associations, 9.3% were recorded as being in religious associations and the remaining 4.3% engaged in cultural groups, while only 22.3% were not in any associations. This finding reveals that majority of the respondents engaged in cooperative societies so as to save and raise money for a buoyant business structure. The indication of this finding is that women in the rural area tend to participate more in social organizations so as to help their businesses, develop better communication, carry out more efficient collective action, as well as to access resources required for their business growth.

The result revealed that 49.3% of the participants were given the loan requested for in their associations, 33.8% of the participants were not given the loan requested while 16.9% of the participants did not request a loan. The implication of this finding is that a loan is one of the benefits that can be derived in joining an association so as to maintain their business operation. This is expected to enhance the business performance.

Mean membership index: The mean membership index was 51.8% implying a high number of active members of women agripreneurs in existing associations. The crop farming enterprise has the highest number of the active members with 57.7% while mat making

has the lowest with 42.4%. This is an indication that the majority of the respondents are active members of associations with more active members among crop farmers. This finding contradicts the finding of Akinlade (2018) that there was a low number of entrepreneurs with active membership in existing associations in Osun State.

Homogeneity index: The mean homogeneity index was 76.5%, implying association is perfectly homogeneous. The implication of this finding is that agripreneurs in this study have certain characteristics which will help them to build a good network and enhance their business growth. This finding is contrary to the findings of Balogun et al. (2011) and Akinlade (2018) that households' homogeneity index was low in the south west and moderately diverse in Osun State, respectively.

Meeting attendance: The mean meeting attendance was 82.5% with Poultry management having the highest meeting attendance index of 90.4% followed by crop farming (84.1%). This is an indication that women agripreneurs attended meetings frequently. Regular attendance at meetings helps the members to get fresh ideas and also build mutual relationships among members. This finding is in line with the finding of Omonona et al. (2014) that self-employed respondents in Oyo State were more regular in attending meetings than salaried households. The findings of Ganiyu and Olawuyi (2018)

Table 3. Social capital status of women agripreneurs

Variable	%	Variable	%	Variable	%
Homogeneous index		Meeting index		Labor index	
< 50	0.88	< 40	4.42	<30	76.99
51–70	12.39	41–80	53.10	>30	23.01
>70	86.73	>80	42.48	MEAN	36.43
Mean	76.53	MEAN	82.46	SD	12.68
SD	7.26	SD	19.59		
Level of trust		Membership			
≤ 30	95.58	< 40	77.88		
>30	4.52	41–80	21.24		
MEAN	31.06	>80	0.88		
SD	6.19	MEAN	51.79		
		SD	31.95		

Source: field survey, 2019.

also showed that meeting attendance was high with female respondents and appeared more in meetings of the various associations in Oyo State.

Labor contribution index: The results revealed that the mean labor contribution index was 36.4%. The implication of this finding is that the majority of the members had low labor contribution to their respective associations which invariably implies that the level of assistance rendered to one another was comparably low. The result supports the finding of Ganiyu and Olawuyi (2018) that labor contribution was low among farmers in Oyo state. But the finding contradicts the result of Omonona et al. (2014) that self-employed households were seen to contribute more labor to their associations.

Trust index: The result shows that the level of trust was generally low among all the enterprises with a mean index of 31.1%. The implication of the low trust index is that they might not be able to enjoy the maximum benefits of being members of any association. The finding contradicts the results of Akinlade (2018) which showed that the mean trust index was high among entrepreneurs in Osun State.

Effect of social capital on performance of women agripreneurs

Table 4 shows the summary of the Z-analysis which examined the effect of social capital on performance. The result shows that members in associations have the highest mean profit of ₦120,656.80 while the respondents that are not in any association have a mean profit of ₦90,295.56. Also, the findings showed that there was a significant difference in the profit of women agripreneurs who are members of associations and those who are non-members. This is an indication that social capital influenced business performance of women agripreneurs. Therefore the null hypothesis is hereby rejected. This finding agrees with the results of Durojaiye et al. (2013); Tundui and Tundui (2013); Akinlade (2018) that membership in networks had a significant impact on a firm's profitability.

Table 4 further, shows the effect of social capital variables on performance. Out of ten variables included in the model, four variables significantly influenced business performance. Out of these four variables, three are social capital variables (homogeneity index, labor contribution index, level of trust).

Homogeneity index: This significantly influenced the business performance of the respondents. A unit increase in the homogeneity index of local organization increased the level of profit by 6.5%. Homogeneity indices will help build a good network that can help the growth of businesses.

Labor contribution: The labor contribution of the entrepreneurs had a positive coefficient of 0.033318. The contribution of labor by the respondents in an association also significantly influenced the business performance. This indicates that labor indices prompted them to help one another so as to improve the growth of their businesses which invariably led to advancement in their profit. The finding is in line with the results of Ajani and Tijani (2009), Durojaiye et al. (2013) and Akinlade (2018) who found that labor contribution of the traders significantly improved profitability.

Level of trust: The level of trust of the respondents also had a significant influence on the business performance of the respondents. This indicates that members in the association trust one another and this will significantly allow them to enjoy maximum benefits as members of the same group. The result reveals the influence of social capital variables on the profitability status of respondents. According to this finding, it is revealed that being in an association has a positive influence on the profitability status of the respondents in the study area.

Level of education: This variable significantly influenced the business performance of the respondents. The fact that the level of education of the respondents significantly influenced performance, buttresses enterprises by being exposed to things that can make the running of their businesses a smooth and easy one.

Table 4. Summary of Z-analysis for the level of performance of respondents

Variables	N	Mean	Standard	Z	Probability
Profit of members	113	120 656.8	0.0940721	1.4e+05	0.0000
Profit of non-members	27	90 295.56	0.1924501		

Source: field survey, 2019.

Table 5. Influence of social capital and other variables on business performance

Variab	Coefficient	Standard error	T
Membership index	0.009421	0.010679	0.88
Homogeneity index	0.065086*	0.017158	3.79
Meeting index	0.000494	0.007791	0.06
Labor contribution index	0.033318*	0.011970	2.78
Level of trust	0.079268*	0.029627	2.68
Age	0.012126	0.017069	0.71
Marital status	0.403507	0.232054	1.74
Level of education	0.312128*	0.149806	2.08
Religion	-0.238943	0.283010	-0.84
Enterprises	0.15140	0.1210623	1.25
Constant	11.4281	1.711869	6.68
R-squared	0.9812		
R-squared adjusted	0.9793		

Source: field survey, 2019.

CONCLUSION

The study has assessed the influence of social capital on the business performance of women agripreneurs in Osun State. Based on the empirical evidence emanating from both descriptive and inferential statistics employed for this study, it could be concluded that majority of the respondents are active members of associations which have similar characteristics to help with building a good and effective network and enhance their business growth. Social capital contributed to high business performance of women agripreneurs in the study area. Homogeneity index, labor contribution and level of trust significantly affected the business performance of the women agripreneurs in the study area. Therefore, women agripreneurs in Osun State should be encouraged to belong to social associations since social capital significantly influenced business performance.

RECOMMENDATIONS

Women agripreneurs in Osun State should be encouraged to belong to social associations since social capital significantly influenced business performance. Policy makers interested in improving the business performance

of women agripreneurs may be advised to consider promoting social capital through strengthening of social associations with a view to widening their resources and information. Members of the association should be encouraged to attend meetings frequently in order to get fresh ideas and to generate cordial relationships among them.

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