

UKANWA, I., XIONG, L., WASIM, J. and GALLOWAY, L. 2022. Microfinance and micropreneurship in rural South-East Nigeria: an exploration of the effects of institutions. *Entrepreneurship and regional development* [online], 34(7-8): special issue in memory of Professor Alistair Anderson 'Social perspectives of entrepreneuring', pages 650-667.
Available from: <https://doi.org/10.1080/08985626.2022.2087747>

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2022

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This accompanying file includes both the main text and supplementary material (Appendices 1 and 2).

Entrepreneurship & Regional Development

An International Journal

ISSN: (Print) (Online) Journal homepage: <https://www.tandfonline.com/loi/tepn20>

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To cite this article: Irene Ukanwa, Lin Xiong, Jahangir Wasim & Laura Galloway (2022) Microfinance and micropreneurship in rural South-East Nigeria: an exploration of the effects of institutions, Entrepreneurship & Regional Development, 34:7-8, 650-667, DOI: [10.1080/08985626.2022.2087747](https://doi.org/10.1080/08985626.2022.2087747)

To link to this article: <https://doi.org/10.1080/08985626.2022.2087747>



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Microfinance and micropreneurship in rural South-East Nigeria: an exploration of the effects of institutions

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ABSTRACT

Informed by the work of Alistair Anderson on entrepreneurship as embedded in institutional contexts, this paper explores the experiences of 30 women micropreneurs in rural South-East Nigeria. These women are amongst the poorest people in the world and live in an environment marginalized from formal institutions, where informal ones are prioritized, and where culture and tradition reflect patriarchal limitations on their activities and experiences. We find that while microfinance is often cited as one of the key mitigators of institutional voids and an important support for entrepreneuring in deprived contexts, in fact there are critical barriers to uptake and socio-cultural conditions are found to limit the extent to which women trust and engage with microfinance. To that end, new methodologies that might mitigate perceived risks, including deepening poverty, are called for. Implications for those who would support enterprise in poverty circumstances in developing nations include that to be effective they must engage with the socio-cultural institutions and lived realities amongst the people they seek to serve. Alongside this, further application and development of the approaches to studying entrepreneurship in marginalized environments that Alistair was such as central contributor to are advocated.

ARTICLE HISTORY

Received 3 September 2021
Accepted 1 June 2022

KEYWORDS

Institutions; microfinance; poverty; micropreneurship; entrepreneuring; Africa

Introduction

This paper reports a research study of the experiences of microfinance amongst a sample of female micropreneurs in South-East Nigeria, women described as amongst the poorest in the world. Micropreneurship here is defined as resource-limited, unscalable enterprise in response to survival requirements (Xiong, Ukanwa, and Anderson 2018). Using a theoretical lens that proposes that the experiences of entrepreneurship cannot be understood separate from the contexts in which they are embedded, the central purpose of the paper is to explore the experiences and suitability of microfinance in highly impoverished circumstances. The research provides evidence that contrary to normative and uncontextualized views of the value of microfinance, in fact, context shapes and complicates the lived experiences of it in overlapping work/life/survival circumstances, and as such may exacerbate rather than mitigate poverty for those in extreme poverty circumstances.

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The paper is inspired by and builds on a body of work in which Professor Alistair Anderson was a key figure. It refers to his legacy of studies on the social embeddedness of entrepreneurship and the importance of context, society, culture and place on the drivers and outcomes. This paper reports a project in which Alistair was centrally involved and draws from the theoretical perspectives that he was such a crucial part of developing. As such, the paper applies an institutional lens to explore micropreneurship and refers to the conceptualization of 'entrepreneurship' described in Gaddefors and Anderson (2019, 164) as practice that is 'protean' and entirely shaped by context.

Alternatively, as an ostensibly objective principle, microfinance has been proposed as a good means by which enterprise amongst impoverished groups may be supported (Bouslah, Kryzanowski, and M'Zali 2018; Alawattage et al. 2019). Since low-income contexts often lack collateral, traditional means of debt financing are not available because they represent unacceptable risk for lenders (Danson, Galloway, and Sherif 2021; Dixon, Ritchie, and Siwale 2006). In response, microfinance provides debt specific to the conditions of a resource-deficient recipient community including no requirement of collateral. There are cautions regarding microfinance in some research studies though. Nearly two decades ago, Weber (2004) queried the motives of a neocapitalist agenda in terms of providing new forms of financial support to communities least linked to the global institutional environment. More recently, Berlage and Jasrotia (2015) are critical of the ubiquity of the idea that microfinance is a panacea for impoverished communities, while Danson, Galloway, and Sherif (2021) assert that regardless of form, microfinance is still debt and thus is designed and operated in the interests of the supplier, not the receiver.

In this paper, we engage with this debate. By inspecting the experiences of the women in the sample in their unique socio-cultural circumstances, we contribute new data on micropreneurship and poverty and some evidence that microfinance is not a solution for some because of the social context. Whereas micropreneurial activities in contexts are shaped by institutions, cultural norms and social practices, microfinance is built separate from and not embedded in these (Ojediran and Anderson 2020). According to Bradley et al. (2012), it therefore cannot mitigate compounding non-income related aspects of poverty. Consequently, the paper makes a case for the development of support that engages with the socio-cultural imperatives and realities experienced by people engaged in micropreneurship.

The paper proceeds as follows. The next section explores the circumstances of rural South-East Nigeria and the conditions for women who live there. Thereafter, with reference to entrepreneurship and institutional theory, we pose the central questions of this research on experiences of micropreneurship and microfinance. The section that follows outlines the methodology employed to address the research questions among the 30 women micropreneurs, following which, findings are presented and implications discussed. We conclude with a summary of new evidence emerging from the research, and assert a contribution to the continuation of a rich seam of enquiry prompted by Alistair Anderson's work. More directly with regards to the specific topic of this paper, recommendations for microfinance and support for enterprise in the poorest communities are presented.

Institutional theory and poor microentrepreneurs in rural Nigeria

Institutional theory (North 1990; Williamson 2000) refers to formal institutions, such as legal, financial, and education structures, and informal ones, such as social and cultural norms. According to Lamine et al. (2021), in entrepreneurship research 'the socially constructed concept of institutions is a theoretical handy device that combines features such as laws and regulations as formal institutions, and socio-cognitive features such as cultures as informal institutions'. A significant contributor, Alistair Anderson has led much of the development of the application of institutional theory in entrepreneurship studies. In Anderson and Miller (2003), for example, informal institutions are found to shape the appeal of entrepreneurship, and Harbi and Anderson (2010) shows how the constraints or freedoms of formal institutions can influence the type of entrepreneurship conducted. With direct relevance to this paper is Alistair's work on institutions and

entrepreneurship in the poverty contexts of the developing world, where the formal institutional environment is often incomplete (MSCI 2017). In these circumstances, as Anderson and Lent (2019, 97) explain, 'the very poorest are often beyond institutional reach' (also McKeever, Anderson, and Jack 2014; Anderson and Ronteau 2017; Nordstrom, McKeever, and Anderson 2020). Puffer, McCarthy, and Boisot (2010) in Russia and China and Mair and Marti (2009) in Bangladesh both found where there were informal institutional voids, informal institutions could mitigate. Anderson evidences this in African contexts too, and finds further that informal institutions may apply because of a lack of formal institutions, or even despite and alongside them (Ssendi and Anderson 2009; Ukanwa, Xiong, and Anderson 2017; Ojediran and Anderson 2020). In addition, Xiong, Ukanwa, and Anderson (2018) argue that patriarchal societies are powerful determiners of women's role and business behaviours, and there is evidence of informal institutions influencing women's decision making, practices and the lived experiences of entrepreneurship in Jack and Anderson (2002), Peredo and Anderson (2006) and Xiao and Anderson (2022). Indeed, according to Ojediran and Anderson (2020, 1) 'institutions – formal and informal, cultural, social, and political – create gendered contexts'. We explore this in the context of rural South-Eastern Nigeria specifically in the next section.

The rural Nigerian context and women micropreneurs

When exploring entrepreneurship, Anderson argued in many papers that context is key to shaping opportunities, experiences, and outcomes (Ssendi and Anderson 2009; Harbi and Anderson 2010; Diochon and Anderson 2011; Korsgaard and Anderson 2011; Anderson, Harbi, and Brahem 2013; Gaddefors and Anderson 2019). Welter (2011, 167) defines context as 'circumstances, conditions, situations, or environments that are external to the respective phenomenon and enable or constrain it'. Building on this, Gaddefors and Anderson (2017, 269) propose that context shapes the entrepreneurial process and refer to this dialogic as 'entrepreneurship'. This embedded conceptualization, requires that entrepreneurship cannot be understood separately from context and with that in mind, the experiences of the South-East Nigerian women micropreneurs who form the focus of this study must be understood as embedded in their institutional and everyday lived circumstances.

In an African context, social values, cultures and practices are quite different from those in developed Western countries (Bango et al. 2018). Examples of this include strong local and African ethnic identities (Andersson 2006; Rivera-Santos et al. 2015) and a culture of greater reciprocity and solidarity than in other regions of the world (Moleketi 2009; Mbaya 2010).

Fifty-four million Nigerian women dwell in rural settings (United Nations 2012; Sajuyigbe et al. 2021). In South-East Nigeria, Abubakar (2017) describes rural women as amongst the poorest of the poor. We define poverty as per Chukwu (2012), who calculates that about 90% of the population live in 'abject' poverty, as measured by income.¹ Poverty goes beyond income of course, and we refer also to the exacerbating features of deprivation, including limited or no access to healthcare, low levels of education, and lower living standards compared with other parts of Nigeria and the rest of the world (Alkire 2008). These cumulative disadvantages are compounded by, and simultaneously cause further, lack of participation in formal institutions (Bhalla and Lapeyre 1997) and this can lead to feelings of powerlessness amongst the poor (Chakravarti 2006), with related societal effects, such as crime, corruption and exploitation (Alkire and Santos 2014; Asaju 2014). Poor women micropreneurs 'engage with all of these contexts in their everyday actions' (Gaddefors and Anderson 2019, 161).

Anderson (2015) argues that circumstances, and poverty in particular, intersect with society and culture, and the effects of these vary considerably by gender. South-East Nigeria is a pertinent example of this. In rural Nigeria, social structures are patriarchal, and men's identities are linked with property rights, leadership roles, and inheritance. Rural women are responsible for domestic duties, bearing and rearing children and providing for families' basic needs (Akinbami and Aransiola 2016; Abubakar 2017). Clan or community leaders are often seen as custodians of local culture, regarded as

supreme over other social institutions, but they are reported as restrictive of social and economic participation for women (Himonga and Munachonga 1991). Traditionally and culturally, rural Nigerian women tend not to own property, including land. In their study of the area, George et al. (2015) found that despite no formal structural restriction on property ownership, few rural Nigerian women were willing to challenge highly gendered cultural rules and practices. Tripp (2004) notes of similar circumstances in Uganda: 'attempts by women to control property, especially land, are considered by the community as misbehavior'.

Despite these challenges, women's micropreneurship can be a main (or only) source of income for families in these extreme conditions. In a thematic review however, Ojediran and Anderson (2020) argue that because of individual low financial and developmental value, women's micropreneurship in emerging and developing economies has received relatively less attention in research than normative (male, Western, growth-oriented) entrepreneurship. Dodd and Anderson (2001) and Anderson and Warren (2011) demonstrate the limitations of the heroic image of entrepreneurship and its lack of relevance in many entrepreneurial contexts though. Instead, in Kalden, Kalden, Cunningham, and Anderson (2017, 100), constructions of entrepreneurship are found to be 'culturally specific based on the sensitivities of the context in which they are set'. Our research context is based in a culture where heroic entrepreneurship does not hold true. Poor women micropreneurs do not represent normative views of entrepreneurship; of 'credit, investment, profits, more credit, more investments, bigger profits' (Weber 2004, 365). Our research context instead is entrepreneurship that is rural, poor and marginal, but it plays a critical socio-economic role by offering a means of surviving and managing in poverty. As Alvarez and Barney (2014, 162) note of similar developing economy circumstances, while each micro-enterprise may be 'small and nonscalable, the totality of these businesses in a community is large'. In rural Africa, this contribution is especially significant in that micropreneurship plays a crucial and fundamental part in the survival and sustenance of communities (Herrington and Kelley, 2013, 20–13; Nagler and Naudé 2014). Certainly, in rural Nigeria, microbusinesses make up a sizable percentage of income and employment, and in particular, the contribution of women's micropreneurship is one of the main ways by which rural household income is generated (Brünjes and Diez 2013; Mbah and Igbokwe 2015; Ukanwa, Xiong, and Anderson 2017). As found in similar developing nation contexts, the setting is extreme poverty, endemic lack of assets and security, little or no support, lack of access to technology, and low levels of skills and education (Mitra and Sagagi 2013; Anderson and Obeng 2017). Alongside these challenges are the socially and culturally informed gender-based moderators of women's micropreneurship (Ojediran and Anderson 2020); their compliance with perceptions of what Ukanwa, Ukanwa, Xiong, and Anderson (2017, 429) refer to as the 'appropriateness of women's work', and other influences of practice, such as what support they might access, including microfinance.

Microfinance and the influence of culture

With no access to capital or property and in conditions of extreme poverty there is little access to capital to support micropreneurship (Taylor 2011). Microfinance has been suggested as a potential solution to this, including in academic works (Helms 2006; Marini, Andrew, and Van der Laan 2018). Underpinning this is the rhetoric that micropreneurship, and access to microcredit to support it, are means by which the poor may pull themselves from poverty (Mohammad 2020; Bruton, Ketchen, and Ireland 2013). While this is not without challenge – Blackburn and Ram (2006) and Berlage and Jasrotia (2015) both query how realistic this is – microfinance is nevertheless discussed throughout the literature as a useful device. However, in an empirical study in Pakistan, Mahmood, Hussain, and Matlay (2014) find that microfinance interventions actually exclude the poorest of the poor. Bradley et al. (2012) report similar in Kenya and argue that microfinance programmes neglect many of the non-income dimensions of poverty, such as low levels of education, poor health and undernutrition, all of which may act to deter engagement with microfinance (and any other formal) institutions. These findings that microfinance in contexts of poverty are complex, inconsistently experienced and

inconsistently effective align with propositions throughout Anderson's body of work that context is key (Peredo and Anderson 2006; Anderson and Gaddefors 2016). In contrast to this contextually embedded premise, microfinance tends to be considered in both research and practice in technical and linear terms, as though it may operate independently of external influence where borrowers passively consume (Guérin, Morvant-Roux, and Villarreal 2016). Using a traditional financial and commercial logic, microfinance aims to integrate the poor to financial systems by offering them access to credit that will empower them via their use of it in micropreneurship activities (Banerjee et al. 2015; Rehman et al. 2020). But in Anderson and Lent (2019, 97), for example, the poorest people are found to be 'marginalised and only weakly connected to markets and institutions'. In these circumstances, increased capital alone cannot bridge the lack of connectedness to formal institutions, especially in contexts where there are myriad competing needs for resources and where alternative informal institutional practices and constraints are part of the lived experiences of micropreneurship. From a conceptual point of view therefore there is a mismatch: considerations of microfinance supply tend to neglect the complex socio-cultural institutions in which demand is situated (Rai and Ravi 2011).

There is a dearth of studies exploring microfinance from the perspectives of the demand side, and especially among those potential borrowers suffering from deep-rooted poverty (Kabeer 2001). Our study therefore aims to engage with this gap in understanding, and puts context front and centre in the exploration of it. In particular, this study examines how the specific institutional context in rural South-Eastern Nigeria affects experiences of micropreneurship and microfinance amongst a sample of poor female micropreneurs. In particular, the empirical research engages with the following research questions.

1. How does the institutional environment affect our sample of micropreneurs in terms of their experiences of entrepreneurship?
2. How does the institutional environment affect our sample of micropreneurs' access to and experiences of microfinance?

The next section outlines the methodology employed to address these.

Methodology

Our research adopted a qualitative methodology given the exploratory nature of the study and the need to obtain information first-hand from the women whose lived experiences we sought to explore (Bryman 2001). Data was gathered from five villages in South-East Nigeria: one village from each of the five states in the region (i.e. Abia, Anambra, Imo, Ebonyi and Enugu). Poverty is widespread in these areas (Chukwu 2012). To attract participants, we used a gatekeeper to introduce one of the authors to some ladies at their weekly community meeting (a common social practice in rural Nigeria). This led to some willing respondents and introductions to others through them. In formal terms, this was a purposeful sample and used snowballing techniques (Tiainen and Koivunen 2006).

Initially, five focus groups with between 6 and 10 women were held, involving a total of 40. The discussion was guided, monitored and recorded by the researcher, who acted as a facilitator (Robson 2011). Following the focus group discussions, 30 participants agreed to share their individual perceptions and experiences of micropreneurship in one to one interviews. These interviews are the source of the data used for analysis, each of which was conducted in Igbo language, recorded and translated into English. Table 1 provides summary information about participants' backgrounds and micropreneurship activities. The respondents represent a wide range of ages, from women in their twenties to those in their sixties, though all had family (elderly parents and/or children) who were financially dependent.

Analysis followed Braun and Clarke's (2006) six phases; thematic codes were developed after examining the data, and the coded data was grouped into patterns and structures. Themes were peer-reviewed in relation to coded extracts and datasets by the authors. We present our findings thematically in the following sections.



Table 1. The Sample of Participants.

Respondent	State	Marital Status	Micro business	Age	Number of dependents	Education	Time in business (years)	Business size	Business income per month (Naira000 ²)	Use microfinance or not (Y/N)
Abia										
Oluchi	Chinyere	Married	Poultry/Farming/Retail	50	4	Secondary	10	3	200	Y
Chinyere		Married	Raw food and seasonal agricultural products	35	4	Secondary	9	2	50	Y
Mary		Married	Farming and petty trading	40	8	Primary	23	1	45	Never
Favour		Married	Weaving & dressmaking	28	4	Secondary	5	1 + 4 unpaid apprentices	100	Had a loan previously
Nkechi	Nwakaego Ogonna	Married	Poultry/Retail business	33	6	Secondary	2	5	150	Y
Nwakaego		Married	Retail/Farming	59	4	None	39	1	35	Never
Ogonna		Married	Canteen	50	7	Primary	20	1 + 2 unpaid apprentices	30	Never
Grace		Married	Canteen	24	5	Secondary	4	2 + 2 unpaid apprentices	110	Y
Oby	Ogechi	Married	Fruits/Vegetables Retail	38	6	Secondary	18	1	95	Had a loan but stopped
Ogechi		Married	Poultry/Farming Retail	35	4	Secondary	7	2 + 2 unpaid apprentices	200	Y
Ucha		Widow	Raw Food Retail	28	4	Secondary	7	2	120	Y
Uju		Married	Petty trade/Farming	55	9	None	35	1	45	Never
Chizara	Imo	Married	Canteen	29	3	Secondary	4	3 + 1 unpaid apprentice	130	Y
Muna		Married	Retail/farming	34	6	Primary	6	1	63	Had had a loan but stopped
Ndidi		Single	Hairdressing & Retail	35	2	Primary	5	1 + 2 unpaid apprentice	103	Y
Somto		Married	Farming and Retail	59	9	None	36	1	40	Never
Ijeoma	Enugu	Married	Fruit/Vegetable retail	48	7	Primary	22	1	38	Never
Chioma		Widow	Canteen	43	5	Primary	4	1 + 1 unpaid apprentice	50	Never
Helen		Married	Homewares retails	32	4	Secondary	3	1 + 1 unpaid apprentice	100	Y
Nnezi		Married	Canteen business	53	8	None	28	1 + 1 unpaid apprentice	45	Never
Love	Ebonyi	Widow	Foodstuff retail/Farming	41	6	Secondary	13	1	79	Y
Onye		Single	Fruit/Vegetable retail	47	2	Secondary	20	1	38	Never
Adaeze		Married	Raw food retail	47	8	Primary	8	1	37.5	Never
Chika		Married	Retail, assorted goods, and homewares	58	9	Primary	15	1	40	Never
Ezinne	Enugu	Married	Raw Food retail	57	7	Primary	10	1	30	Never

(Continued)

Table 1. (Continued).

Respondent	State	Marital Status	Micro business	Age	Number of dependents	Education	Time in business (years)	Business size	Business income per month (Naira000 ²)	Use microfinance or not (Y/N)
Ngozi Nnenna		Married Widow	Raw food retail Hairdressing	45	7	Secondary	18	1	50	Never
				55	8	Secondary, vocational	10	1 + 4 unpaid apprentices	100	Y
Obioma Ebere		Married Married	Processing of raw food Hairdressing	64	6	Primary	30	1	51	Never
				26	3	Secondary, vocational	5	1 + 1 unpaid apprentice	48	Y
Kelechi		Married	Palm Oil dealer	30	3	Secondary	7	3	125	Had a loan but stopped

Findings from the fieldwork

RQ1. How does the institutional environment affect our sample of micropreneurs in terms of their experiences of entrepreneuring?

Table 1 shows that despite all the micropreneurs in the sample having prevailed for a long time (in some cases for decades), all were producing very low levels of income. Explored through an institutional theory-informed lens, four clear themes of micropreneuring constraint emerged: *poverty, rurality, formal, and informal institutions*. Appendix 1 provides extended thematic evidence that supplements that presented below.

Most pertinently the context of poverty was clear. To illustrate, Adaeze described the conditions in which she trades in raw food:

"In our village, there are hardly any functional facilities. No shops/sheds, no bins to dump waste, no tap water and no electricity. I display my goods on the ground. When it rains, my business is disrupted" (Adaeze).

Alongside these poverty conditions was responsibility for dependents. The comments of Mary and Somto illustrate:

'I struggle to put food on the table for my eight children as I have insufficient income'. (Mary);

"My family's welfare is my main worry and some days I do not know where the next meal will come from for my nine children and other family members, including my old parents and in-laws. I work so hard to provide for my family" (Somto).

Elsewhere, there was much evidence of the wider features of poverty, and their (re)construction throughout the prevailing culture. Restricted access to education was reported by most, with four in the sample having received no education at all (Nwakaego, Nnezi, Uju and Somto). Testimonies from Somto and Nnezi explain and exemplify:

"I was not sent to school as a female child unlike my brothers, but I was asked to learn from [my] mother how to be a good wife and manage a home" (Somto);

"I was restricted from going to school because my culture does not value education for female children, and so I am illiterate, and that limits what I can do" (Nnezi).

Elsewhere, only basic school education was reported and participants explained that this was because of a cultural expectation that females will be wives and mothers. However, these women were all required to provide family income too. The comments of Uju and Mary exemplify:

"I carry out all the domestic duties. I work every blessed day just to put food on the table for my children. The money that my husband gives me is too small" (Uju);

"I had to go into petty trading so as to ensure my children do not go to bed hungry for days" (Mary)

Our participants were very aware that their lack of education was disadvantageous for their enterprises. As Uju told us:

"I did not go to school, so I don't understand how to expand my [petty farm goods] business. I work round the clock and struggle to meet my family's basic needs".

Other limitations include that none of our respondents owns property or land. Obioma explains the effect on her food processing microenterprise and its potential thus:

"A woman in my culture does not inherit land that could have been used to get a loan. My business is very small and there is no money to expand it" (Obioma).

The remoteness of rural South-East Nigeria was another constraint, and that remoteness was both physical and socio-cultural. Located far away from local government and formal markets, knowledge and influence of formal institutions was limited. First, in terms of infrastructure Love told us of her farming enterprise:

"Our roads are bad and that means high costs of transportation to and from the bank and main market. It also restricts buyers from other towns from visiting our rural market. All these affect sales and prices of goods".

In addition, government institutions were perceived by respondents as uncaring and largely absent. Helen and Chika illustrate:

"The government neglects the poor; we lack most of the opportunities and employment people in the urban areas have" (Helen);

"There is no life in this village, the government abandoned us. I have to depend on my family and obey my husband's instruction to do my [homeware retail] business in line with our tradition" (Chika).

As Chika testifies, socio-cultural institutions were reported as substituting for formal ones, and there was further evidence of this – and the women's mandated conformity to it – throughout the data. The following exemplify:

"As a married woman, I can only do business that is approved for women, and my husband has to approve it as culturally suitable for me to do" (Ogonna of her canteen enterprise).

"I started the cooked food business because it is considered the type of business that women can do. Running a pub to sell alcohol is considered men's business, and so any woman who does that kind of business is seen as promiscuous" (Nnezi).

This influence of traditions and culture was pertinent to experiences of microfinance too, discussed next.

RQ1b. How does the institutional environment affect experiences of microfinance?

As noted in [Table 1](#), of the 30 women micropreneurs, 16 had experience of microfinance and 14 did not. Of the 14 who had not used it, several reasons emerged, and they are largely expressed in opposition to the reasons others could and did access microfinance. Grouped again by the key themes *poverty*, *rurality*, *formal institutions* and *culture*, Appendix 2 presents evidence from the perspective of both groups that supplements the following.

In terms of access to microfinance, limited access to education inhibited the basic ability to apply for a loan. Beyond the criticality of literacy, of the 14 participants who had not used microfinance, the most common asserted reason was that they just did not understand it. The implied low levels of human capital were a general obstacle, however, culture and informal institutional conditions also contributed to the differences between participants who had used microfinance and those who had not. Pertinently, those who used microfinance had support from their husband and/or community leaders. On the other side, Uju explains:

"As tradition dictates, we do virtually nothing without our spouse's permission. For example, we can't access microfinance unless we are permitted, otherwise we could face rejection and abandonment which is a great shame to a woman and her family" (Uju).

Even where permission was granted, several respondents also expressed a lack of trust in microfinance suppliers and sources of information about them. Chika told us for example that,

"I have heard about microfinance situated at the local (government) Headquarter. I don't believe they are genuine."

Similarly, Somto told us,

"[Microfinance] has not been mentioned in church or in the town hall by our traditional ruler, where important information is shared ... I only became aware of it from some people in the market, which made me doubt it" (Somto).

As Somto's testimony suggests, the rural Nigerian respondents in this research were embedded in a socio-cultural context whereby their sources of reliable information were perceived to come from local traditional and religious leaders. Nnezi explains further:

"It is our custom that any important information about our community or an intervention to our village from outside must first go to the Village Chief or religious leader whom we trust. He will check its suitability before it is shared to rural dwellers through the town criers or word of mouth after consulting the council of elders" (Nnezi).

Risk was another issue that concerned those who had never used microfinance. Participants expressed a reluctance to take the risks that could lead to irreversible losses. Linked to this was the strong cultural fear of shame for themselves and their families as a consequence of debt. Ebere articulates it thus:

"If I am unable to pay, I have to borrow from a moneylender as I don't want to lose face among group members, although that means I have to pay about 50 per cent (monthly) interest rate" (Ebere).

The risks of further debt, and especially in the context of a poverty-stricken environment where personal safety is precarious, became very real for Helen who had accessed microfinance:

"On one occasion, I had just collected a loan and was returning home when I ran into armed robbers who took all the money. This incident made me incur more debts" (Helen).

Our data also includes testimony about the fear of burdening dependent with debt. This was a deterrent for Uju and Onye:

"I don't want to leave debts behind for my loved ones when I die, hence microfinance is not for me." (Uju);

"I see microfinance as unreliable. I don't use it as I do not want to incur debts and bring shame to my family should I die" (Onye).

These testimonies relate to concern about compounding hardship. Ngozi concurs and cites this as the reason she does not want microfinance for her crop business:

"Microfinance is a great risk, as I may be unable to pay back. I cannot guarantee that I won't use the loan to feed my seven children. This will mean losing everything and that will bring shame and hardship to my family" (Ngozi).

Consistent with Ngozi's fears, amongst those who had accessed microfinance there was consistent evidence of blurring of the boundaries between enterprise, family and life. Nnenna and Chinyere testify:

'I used some of the loans borrowed to buy equipment (a generator) to provide power for my hairdressing business as there is little or no electricity supply in my village. And I used some to feed the family and pay school fees and health bills' (Nnenna);

'Part of the loan I borrowed was used for my children's school fees and feeding, and I used the remaining to buy goods for my business' (Chinyere).

This use of microfinance to feed children and to meet basic needs represents a mission drift beyond investment in the enterprise. Moreover, since the finance was being directed to family and survival, this misuse was not augmenting trading and thus inhibited the potential for repayment. This could thus exacerbate and cause further debt, leading inevitably to greater shame, and there is evidence in the sample of this playing out in practice. Muna is one of the respondents who had used microfinance for her farming business but had to stop using it. She shared with us her experience:

"I could not keep up with the weekly repayment as I had lost everything in the shop through flood. I asked to be allowed some time to recover but the officer in charge insulted me and was raising his voice at me in front of other customers. The news spread in the community, and I felt very ashamed. My husband wasn't happy either" (Muna).

Muna's experience evidences that issues associated with microfinance are not simply financial, but also cultural, including concerns about reputation and respect. Our respondents discussed microfinance as debts and debts are associated with social embarrassment and shame. Thus, contrary to the central principles of microfinance, we find that some vulnerable women in rural Nigeria are frightened of borrowing through microfinance, and critically, that their use of and perceptions about microfinance are socially and culturally embedded.

Discussion

The testimonies provided in this study reference the constraining effects on micropreneurship of *poverty, rurality, institutions* and *culture*. Data exposes the embedded and dialogic features of the entrepreneurship observed. The problems of extreme poverty and rural remoteness limited our participants' access to resources. They also interacted with institutions, exacerbating the conditions that increase vulnerability. Formal institutional support for our respondents was largely absent or not considered appropriate with informal institutions carrying more credence. Largely, participants felt remote from formal institutions but testimonies evidenced the environment was rich in other institutional arrangements. These often acted to constrain enterprise activities though. Nevertheless, our participants were engaging in entrepreneuring to maintain family survival and livelihoods. Our data shows however that the women had to cope with a variety of difficulties caused by institutional constraints. Many of these challenges are traceable to gender bias embedded in cultural and traditional norms, including lack of property ownership and the wider patriarchal culture. This affected even the types of businesses the women had.

Specific to microfinance, there was some consistency throughout testimonies. Most pertinent, there was evidence that microfinance supply did not account for the institutional or cultural constraints experienced by our sample of micropreneurs, nor did it engage with the prevailing socio-cultural environment. Some of the women in our sample did not trust formal sources of information about microfinance and instead traditional and religious leaders' authority was favoured. This perception of the validity of informal institutions over formal ones was compounded by low levels of literacy and education. Lack of permission from a spouse or local leader and the fear of the repercussions of unserviced debt, including shame and deeper poverty were further socio-cultural constraints. Among those who had used microfinance, some of these fears had actually materialised, including worsened poverty, shame, powerlessness and despair.

These observed experiences evidence the multiplicity and complexity of poverty as representing compounding conditions beyond just lack of (access to) capital, as per Anderson and Lent (2019) and Bradley et al. (2012). Concurrently, from a purely financial perspective, where microfinance loans were used, they were reported to feed families and meet other pressing needs alongside genuine enterprise support. This compromised some of our respondents' ability to repay loans, leading to financial vulnerability and further debt. The outcomes observed in this study for these poorest women therefore sit in opposition to the oft-cited objectives of microfinance provision in impoverished developing nation contexts.

Exploring through a lens that includes social-cultural institutions and practices as key to the experiences of entrepreneuring in context provides some explanation as to why microfinance fails to appeal to the poorest and may play a counter-productive role in the alleviation of poverty. Targeting poor women micropreneurs and integrating them into formal financial borrowing and lending are not observed here as means by which vulnerabilities may be reduced. By not engaging with the socio-cultural lived realities and the gendered social disadvantages created by institutional arrangements in rural South-Eastern Nigeria, microfinance is likely to have limited or even negative effects. Our findings thus have highlighted the need for support of the poorest of the poor entrepreneurs to tailor programmes in line with norms, expectations and roles in context.

Development of Alistair Anderson's work and future theory and research directions

In the light of institutional theory, our data suggest that microfinance interventions targeted at poor rural women in Nigeria are limited in reach. Consistent with Ojediran and Anderson (2020) the institutional environment was highly gendered and included barriers to women's social and economic activities. As such, any support, including financial support, to empower and emancipate female microentrepreneurs must take full account of context. The research exposes that the experiences of the female microentrepreneurs in this sample, and their attitudes to microfinance, are deeply affected by and embedded in the prevailing context. This is entirely consistent with the proposition of entrepreneuring throughout Anderson's work. In terms of microfinance specifically, it is its separateness from the embedded social-cultural institutions that limits its appeal to the poorest, again resonating with Anderson's long-time contention that entrepreneurship is contextually embedded, 'shaped and constricted ... by the nature of social obligations that are woven into the social fabric' (Anderson and Obeng 2017, 24). We contribute development to this by exposing the intellectual and conceptual mismatch between the economic rationality of microfinance supply and the contextually embedded nature of enterprise as practiced at the demand side. There are clear implications for research and scholarship in terms of reconciling this so as to inform practice and support in a meaningful way. The central implication is clear: it is not possible to understand entrepreneurship, to inform policy or practice, and develop knowledge, unless it is explored in the context and circumstances in which it is embedded. Means by which to develop microfinance to support entrepreneuring in context are thus identified as research priorities. More broadly though, this research casts some doubt on the suitability of microfinance for those of lowest resources at all. Like Danson, Galloway, and Sherif (2021), there is evidence here that microfinance can actually cause deepening poverty by compounding it with further and ongoing debt. Consequently, we suggest alternative means of supporting micropreneurship are urgently required. Informed by Alistair Anderson's work though, any alternative efforts should be developed in sympathy with the prevailing institutional and cultural environments in which they seek to contribute if they are to be effective, as discussed next.

Implications for support and for microfinanciers

Currently, microfinance initiatives do not account for socio-cultural practices that prioritize alternative informal institutions. Community and religious leaders, the influence of patriarchy on the ability to access finance, low levels of human and social capital amongst the women, and an embedded and compounding distrust of formal institutional structures are all features of the experiences. Consequently, there is an implied need for some specific education, health and welfare interventions. There are also some specific and immediate recommendations for microfinance providers if they are to optimize provision amongst the most disadvantaged and poverty-stricken, including the need to account for the intertwining nature of women's microenterprise activities, family lives and survival, and to minimize the risks associated with debt that are perceived by rural women microentrepreneurs. This may include development of thinking on how to supply microfinance in communities with complex socio-cultural and poverty-related circumstances. Equally, knowledge development and the search for entirely new approaches to supporting the world's most impoverished people may facilitate new initiatives that engage with the realities of lived experiences among intended beneficiaries.

Conclusions

This paper evidences the importance of Alistair Anderson's assertion of the criticality of context for understanding entrepreneurship. Viewed through an embedded entrepreneurship-informed lens, the micropreneurship and use of microfinance amongst impoverished women in rural South-Eastern Nigeria are contextualized, and consequently, implications include that any intervention or support is best developed cognizant and accounting for that context.

The research has limitations of course. It is a qualitative snapshot of women's experiences in South-East Nigeria and as such generalizability is not possible. In a different place, with different cultural and social milieux, different results would be expected. Despite this, there are some key findings that contribute to knowledge.

Informed by Alistair's work on institutionalism and entrepreneurship, the experiences of the sample of poor rural women micropreneurs have illuminated important features and constraints of the microentrepreneurial experience, not available to us if explored through theoretical lenses that treat entrepreneurship as discrete from context. In particular, if microfinance is intended to support those who suffer most from poverty, it must do so in a way that is accessible and useful to beneficiary communities in their real-life circumstances. More generally though, we question the suitability of microfinance at all for micropreneurship in severely deprived contexts and encourage the development of alternative, socio-culturally informed, means by which support might be provided.

Notes

1. Abject poverty is defined for single-person, four-person and six-person household units as annual income of N359160 (US\$983), N939510 (US\$2,572) and N1427880 (US\$3,909), respectively (Chukwu 2012).
2. Nigeria Naira is equivalent to 0.002 US dollars.

Disclosure statement

No potential conflict of interest was reported by the author(s).

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Appendix 1: Thematic examples of evidence – additional data

Contexts	Evidence from data
Poverty	<p>I have to work every blessed day just to put food on the table, provide for my family, pay my children's school fees and meet their day-to-day needs. (Ngozi)</p> <p>I lack some basic knowledge such as financial and literacy skills due to poor education. I have no land to use as collateral to borrow from bank. (Adaeze)</p> <p>I suffered serious typhoid fever last year due to poor drinking water in the village. There is no job in the village. (Nkechi)</p> <p>We manage to survive (Nnezi).</p> <p>Doing this business enables me to feed my family members as my husband's income is not sufficient (Somto).</p>
Rurality	<p>There is little or no electricity supply, no library and equipment such as TV is not within the reach of the poor. (Ngozi)</p> <p>Information is poorly disseminated in this village, as we lack most of the opportunities people in the city have. (Ogonna)</p> <p>In the rural areas market is very slow and seasonal as farming is where we generate most of our goods. (Mary)</p>
Formal Institutions	<p>I have suffered hardship and life in the village is very hard with little or no help from the Government. (Oluchi)</p> <p>There is no help from the government (Favour)</p> <p>The local government headquarters where you can see government offices, banks and big markets are far away from my village (Ebere).</p>
Informal Institutions (culture)	<p>I experienced cultural barrier in that as a woman, am expected to be submissive to my husband and husband's brother and that means before I could borrow money I had to seek approval from my husband's brother since my husband is dead. Had he disapproved I would not have been able to go ahead or face family rejection/consequences. (Nnenna)</p> <p>I don't want to be seen as bad wife. (Ogonna)</p> <p>My role as a mother and a breadwinner hinders me from travelling (for trade) (Adaeze)</p> <p>I don't have qualifications to get Government work and have no skills. If I am not supported I will not be able to carry out my role as a wife, mother and daughter as culture demands. However, my husband could not provide me with capital as he does not have any. (Ngozi)</p>

Appendix 2: Experiences of microfinance by theme – additional data

	Those who did not use microfinance	Those who used microfinance
	Examples from data	Examples from data
Poverty	<p>Microfinance services are not for the poor as they do not consider the situation of rural women especially when default occurs. (Adaeze)</p> <p>It is those that went to school that microfinance is meant for as an illiterate like me cannot manage all the paperwork that is required. (Mary)</p> <p>I did not go to school. I have a food business but lack money to boost it because I do not have all it takes. I cannot read or write in English to qualify for loans" (Nnezi).</p>	<p>I worry about how to pay back the loan at the stipulated time especially with my huge family responsibilities. I sometimes have to hawk some of my goods in order to raise the money. (Chinyere)</p> <p>I have secondary school and a vocational certificate in hairdressing. I joined the Hairdresser's Association group as we can get loans from MF Bank to invest in our businesses. ((Ebere)</p> <p>I can speak, read and write in English from my secondary school days, I can fill the forms and other record-keeping, although I may need support to understand some technical terms. I can communicate with microfinance officials." (Helen)</p> <p>I worry that I may use the loan on family responsibilities. The business may not yield profit and robbers may strike as there is too much hardship in the village and people are very desperate. (Kelechi)</p>
Rurality	<p>Microfinance does not apply in this village as they do not disseminate information in ways that rural women can understand (Obioma)</p> <p>We hardly hear information about microfinance. They do not come to our village nor to the market where we do our businesses. (Ogonna)</p> <p>Microfiance requirements are beyond what poor people can afford. Mmaking compulsory repayments is not easy for businesses in rural areas (Mary)</p> <p>Because the market in rural areas is very slow compared to the city, it is hard to invest in a loan. (Chika)</p>	<p>I used to live in the city but relocated to the village two years ago. I have feelings of uncertainty about the business environment in the village as the market is not like in the city. There is abject poverty in the village. I worry about others as I know that if anyone fails to repay their loan, every other person in the group will have to contribute and the consequences for my business and family should that happen fills me with fear and anxiety. (Ebere)</p> <p>Microfinance in a rural area is quite different in operation as compared to how it is practised in the city. (Favour)</p>
Formal Institutions	<p>There is only one microfinance service offered by local government and it is situated in the headquarters far away from my village. (Erinne)</p>	<p>There is no microfinance bank in the village. The one at the local government headquarters is some miles from my village. (Favour)</p>
Culture	<p>I cannot go on my own to borrow from microfinance without my husband's permission. I have no land and do not want to die and be the talk of the town in my village. (Erinne)</p> <p>I don't have land to use as collateral and besides I do not like being in debt as the repercussion are grievous. (Mary)</p> <p>I do not want to start worrying about how to pay as the market is not certain and if anything went wrong – say armed robbery or people who buy on credit do not pay on time or something happens to me, then my family will be in serious trouble as our property would be sold. (Obioma)</p>	<p>My husband stood for me to get microloans. When my business went through a difficult financial crisis, I got a loan from microfinance with my husband's support. This helped me to buy good feeds and equipment for my poultry business (Ogechi).</p> <p>Our fellowship leader in the church convinced me to participate in the microfinance group that she belongs to. This helps me to access loans for my business. (Helen)</p> <p>I also worry about being in debt if unable to pay and the repercussion of losing face in the group and property. (Kelechi)</p>