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Abstract

This paper explores the challenges facing women micro-entrepreneurs in Lagos, Nigeria by way of a case study of Peace Akpotu, a salon-owner operating in Ajegunle. Research entailed the use of participant observation and ethnography to uncover several difficulties faced by women entrepreneurs, including the burdens of relocation, domestic duties, and childbirth upon marriage. Additional obstacles, such as a less economically resourced customer base, poor mechanisms to determine customer preferences, and steep competition compound with limited access to business education for women entrepreneurs and a volatile market, further complicating business operations. Moreover, a reframing of what constitutes a successful business allows for the value of positive externalities irrespective of profit from women-owned business to be considered, including mentorship, the creation of a safe social space for women, and women's empowerment. Opportunities to enhance these positive externalities and mitigate challenges are explored.

Keywords

women, micro-enterprise, Nigeria, Lagos, ethnography

Disciplines

Business

Marriage, Markets, and Mentorship: An Ethnography on the Ambitions of and
Obstacles Facing Nigerian Women Micro-Entrepreneurs

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ABSTRACT

This paper explores the challenges facing women micro-entrepreneurs in Lagos, Nigeria by way of a case study of Peace Akpotu, a salon-owner operating in Ajegunle. Research entailed the use of participant observation and ethnography to uncover several difficulties faced by women entrepreneurs, including the burdens of relocation, domestic duties, and childbirth upon marriage. Additional obstacles, such as a less economically resourced customer base, poor mechanisms to determine customer preferences, and steep competition compound with limited access to business education for women entrepreneurs and a volatile market, further complicating business operations. Moreover, a reframing of what constitutes a successful business allows for the value of positive externalities irrespective of profit from women-owned business to be considered, including mentorship, the creation of a safe social space for women, and women's empowerment. Opportunities to enhance these positive externalities and mitigate challenges are explored.

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INTRODUCTION

This paper explores the challenges faced by women micro-entrepreneurs in Lagos, Nigeria based on preliminary ethnographic research. After three weeks of close observations of Peace Akpotu, a salon owner in Ajegunle, one of Lagos' most dangerous and notorious slums, as well as her customers, competitor salons in the region, and her staff of paid and unpaid apprentices, it was possible to identify several obstacles that seem to characterize the experience of many Nigerian women attempting to start a business. Moreover, re-conceptualizing what constitutes a "successful" micro-enterprise allows for an improved understanding of whether or not women entrepreneurs whose businesses do not necessarily maximize profits nor scale are worthwhile ventures in particular cultural and economic contexts.

CONTEXT OF CASE STUDY

The research for this paper centers on the business operations of Peace Akpotu, a thirty-two year old female salon owner from Ajegunle, Lagos, Nigeria. Peace got married to her husband in January of 2015, but had not yet been pregnant or had children. Prior to marriage, Peace lived with her mother and sister in the household in which she grew up. Peace's business had been in operation for several years prior. Ajegunle is the most populous slum in Lagos state, in which most business takes place in the informal sector and 12.8% of all blighted land in Lagos can be found.¹ It is the most notorious and one of the poorest of all of Lagos' slums.² Her

¹ Oluwafemi Olajide, "Urban Poverty and Environmental Conditions in Informal Settlements of Ajegunle, Lagos Nigeria," *Department of Geography and Planning, Lagos State University* (2010): 827.

² Oluwafemi Olajide, "Urban Poverty and Environmental Conditions in Informal Settlements of Ajegunle, Lagos Nigeria," 827.

business, Bubbles, is operated out of a small rented property in Ajegunle consisting of two rooms powered by a generator, which is connected to the property outside (Figure 1, 2).

METHODS AND LIMITATIONS

Data was gathered using participant observation and included numerous informal and formal discussions with Peace, her staff of seventeen unpaid apprentices and one paid worker, ten customers who were receiving a variety of services at the salon, and three women working in neighboring competitor salons. Many of these conversations transpired through semi-structured ethnographic interviews with all aforementioned individuals, which included both standard questions asked to all others in similar positions (i.e. all customers or all staff) and individualized questions conjured in response to individual characteristics or responses. In addition, qualitative observations were made of the overarching economic structure and environment. Data also included figures pertaining to costs, prices, and revenues associated with her business or personal expenditures and income from Peace's estimates. Due to unreliable bookkeeping and significant daily variation, precise numbers could not be verified in all cases. This ethnographic project took place from occurred from May 14th to June 6th, 2015.

PAST AND PRESENT LANDSCAPE FOR WOMEN ENTREPRENEURS IN LAGOS

Historically, women have played a significant role in business and income generation in Lagos. Prior to colonization, women entrepreneurship was common, and women played a vital

role in earning supplemental income for their families.³ Under British rule, women dominated small-scale business in terms of participation, but underperformed in terms of profit when compared to men entrepreneurs.⁴ It is possible that European traditions of male-centered economies cemented and exacerbated inequalities in Nigeria; “[some] inequality has its roots in the colonial system of education which was primarily geared towards meeting the manpower need of the colonial government...[that] alienated women from educational and economic opportunities.”⁵ The proportion of women involved in commercial activities dropped near the end of colonial rule.⁶ Women’s underrepresentation and underperformance could be attributed to legal and cultural barriers that emerged during colonial rule and outlived it.⁷ In 1940s Nigeria, women faced significant obstacles, illustrated by the following example:

“The labour code then prescribed a lower salary for single women than men, and women had to resign their appointment on marriage. In some cases, the husband had to give his permission to allow his wife to continue in paid employment.”⁸

Culturally informed gender roles were both enshrined in law and pervasive in other societal structures that persist today. There is little expectation for women to become business owners; consequently, little infrastructure exists to promote their success in commerce. On their own, “women have limited access to critical resources like education, land, technology, and credit.”⁹

According to the United Nations Industrial Development Organization (UNIDO), “In many

³ Daphne Halkias et al., “Challenges Facing Women Entrepreneurs in Nigeria,” *Management Research Review* 34 (2011): 222.

⁴ Halkias et al., “Challenges Facing Women Entrepreneurs in Nigeria,” 222.

⁵ Godiya Allanana Makama, “Patriarchy and Gender Inequality in Nigeria: The Way Forward,” *European Scientific Journal* 9.17 (2013): 120.

⁶ Halkias et al., “Challenges Facing Women Entrepreneurs in Nigeria,” 222.

⁷ Halkias et al., “Challenges Facing Women Entrepreneurs in Nigeria,” 222.

⁸ Tinuke. M. Fapohunda, “Women and the Informal Sector in Nigeria: Implications for Development,” *British Journal of Arts and Social Sciences* 4 (2012): 39.

⁹ Fapohunda, “Women and the Informal Sector in Nigeria,” 37.

instances, women are unable to benefit from available services, and must struggle to overcome or circumvent discrimination in business circles.”¹⁰ Moreover, there are still significant familial and societal expectations of women to fulfill traditional motherly and wifely duties that limit their ability to pursue business opportunities:

...women face greater vulnerabilities in the labour market because of their relative lack of education and training, the tendency to channel women into certain occupations, and the continuous heavy burdens of unpaid domestic work, child-bearing and child-care, which restrict the time and energy available for income-earning activities.¹¹

Decades of precedent against women entrepreneurship in Nigeria offer context for an exploration into the difficulties faced by their modern-day counterparts. Today, the persistence of traditions that run counter to women successfully pursuing their own business ventures is grappled with in conjunction with new industry- and economy-specific challenges.

CHALLENGES FACING WOMEN ENTREPRENEURS

Studying the business operations and experience of Peace Akpotu allowed for several distinct and impactful challenges to be identified that not only influence Peace, but likely face other women entrepreneurs in Lagos. Peace’s records of her revenues and costs were not reliable enough to determine an exact expected monthly profit figure. However, it is certain that Peace’s business fluctuated greatly from positive to negative profits weekly and monthly, and that her profitability demonstrated a general negative trend in 2015.

¹⁰ Mohamed A. Ramady, *The GCC Economies: Stepping up to Future Challenges* (New York: Springer, 2012), 218.

¹¹ Fapohunda, “Women and the Informal Sector in Nigeria,” 39.

Marriage

As Peace shared in numerous conversations, marriage is an important rite of passage and custom in Nigerian culture. It is expected that all women get married and afterwards bear children with their spouses. From my observations, it also appeared that marriage entailed assuming substantial burdens that interfered with her business pursuits.

Firstly, marriage entailed a change in Peace's permanent residence as a result of relocation. As is traditionally the case for many Nigerian women, Peace lived with her mother and her sister until marriage, and did not possess her own home. In anticipation of marriage, she did not pursue housing, and thus had never planned for it financially or considered it as a viable option. Conversely, her husband acquired a home with the goal of permanently living there with his future wife and children; thus, he had an adequately sized home in advance of their marriage. As a technician, he possessed a stable income and sufficient financial means to purchase a house of higher quality than Peace would have been able to afford. As a result, after marriage, Peace immediately took residence with her spouse. Peace relocated from her home in Ajegunle to another neighborhood in Lagos called Igando.

Having already established her business in Ajegunle with a significant local customer base and local staff, she was required to either run her business from a distance or sacrifice her previously established business and customer base to start over in Igando, navigating a new terrain in a community with which she had no previously established relationships or reputation. In Peace's case, she opted to maintain her previous business. She expressed that her primary motivation was an emotional attachment to the community in which she previously lived as well as to her friends, family, staff, and regular customers. It is worth noting that Peace's situation

was lose-lose; either she sacrifice her business and social network or suffer the inconveniences of a long commute.

By moving to Igando, she incurred significantly increased transportation costs and trouble reaching her place of work. From her previous residence, Peace was able to walk to work within ten minutes, transporting herself free of cost. From her new residence, Peace required public transportation, which due to high traffic and unreliable service required a thirty to sixty minute commute on average costing 350-400 naira per ride, or 700-800 naira per daily round-trip. Considering that this cost would total 4900-5600 naira weekly, and that her weekly revenues averaged roughly 15,000 naira, her new transportation costs required a non-negligible estimated one third of her revenues. In addition, revenues varied dramatically by week; in weeks of low business, Peace's weekly transportation costs could total more than her revenues. This predicament required Peace to hedge her bets on whether or not any given day would be worth the cost of her transporting herself to her place of work. In addition to cost concerns, Peace now had to consider the significant increase in time required to go to her salon. As a result, she attended her salon less frequently. Without Peace present, there was less oversight of apprentice's work, which Peace reported harmed her business due to their insufficient training to complete certain styles. In addition, bookkeeping and keen oversight over payments made to the business were delegated to apprentices, the diligence of whom Peace could not be certain. Her relocation thus necessitated that she engage in a trade-off between being physically present to build and oversee her business – both a necessary and fulfilling activity for her – and keeping her costs below her revenues.

Secondly, marriage imposed upon Peace various additional responsibilities that previously did not exist. When living at home with her mother, Peace did very little housework

and cooking, and shared that she had assisted with cooking and cleaning duties less than once weekly, often only for one to two hours. Moreover, such responsibilities were negotiable; after a challenging day of work, or before a suspected long day of work with several appointments pre-arranged, Peace would be exempted by her family of household duties out of compassion. However, when living with her husband, it was expected of Peace that she assume all household domestic duties, despite that both she and her spouse had jobs. The reasoning behind this, according to Peace, was two-fold. Firstly, it is expected that women perform these tasks, and thus she did not feel it was appropriate to challenge this distribution of work. This expectation is explained well by the gender norms previously discussed. Secondly, her husband's job required him there on a fixed schedule as a condition of his contract with his employer; because Peace was self-employed, she could easily leave work early or not attend at all on any given day. Despite the long-term consequences of poor management, this perception that Peace's presence at her place of work was optional – voiced often by her husband – contributed to her assumption of the full burden of household duties. For Peace, household duties constituted a considerable demand on her time and energy, especially due to the daily nature of cooking and cleaning. She estimated anywhere from one to three hours of work daily were required of her at home cooking, cleaning, washing laundry and dishes, and performing other routine tasks. Even conservative calculations based on Peace's estimates leave her with a 350% increase in time needed to allocate towards household chores.

Furthermore, the greatest household duty to be assumed is childcare, and as a natural prerequisite, child birth. Peace planned to conceive soon after marriage, as she wanted to preserve the possibility of having many children and worried that she had a limited window of time for childbirth, having gotten married at the relatively late age of thirty-two. The prescribed

cultural view of women's most significant roles in society being wife and mother undoubtedly reinforced her high valuation of motherhood and a large family despite its relative incompatibility with her business aspirations.

While pregnancy universally requires an immense amount of accommodation, time, and energy, it was especially inconvenient for a woman like Peace, who did not have access to many modern conveniences taken for granted in the developed world. A remedy as simple as morning sickness medication is harder to access, and in Peace's case, something she had never heard of before. Moreover, the harshness of additional illnesses, such as malaria, which are persistent and common in Nigeria, is amplified when pregnant. Peace's assumption based on her family's experiences has been verified scientifically; pregnant women are particularly susceptible to malaria and more likely to experience severe cases.¹² Peace had two cases of malaria since the start of 2015, and thus rightfully worried that she would be exceptionally vulnerable when pregnant, anticipating needing even more time away from work than would already be required by the pregnancy itself. Moreover, the common daily requirements of pregnancy are graver for a salon owner and micro-entrepreneur. In earlier months of pregnancy, one must regulate their activities and diet and manage discomfort and nausea, and in later months women often need too much bed rest to continue work. These needs are highly incompatible with the duties required of a salon owner, including working while standing; speedy, continuous work for hours at a time; and a positive attitude with customers and apprentices. In addition, Peace expected needing more time off of work in later stages of pregnancy due to expected difficulty and discomfort standing. Such a concern is smaller for sedentary jobs, but meaningfully more worrisome for a salon owner. Peace worried that time away from the salon would be fatal for her business; customers

¹² Malaria and Pregnancy. Royal College of Obstetricians and Gynaecologists. Information for You. October 2014.

do not see familiar faces and fear for the quality of their service, fewer hands are available during peak hours, apprentices have less instructional time, and tasks requiring special skillsets such as complex hairstyles, complicated supplies cleaning, and managerial duties cannot be done as frequently. Maintaining, let alone building, a business can be immensely difficult when pregnant, and only more so when the managing entrepreneur is pregnant multiple times in a row. Notably, another trade-off faced Peace – fulfill wifely expectations with many pregnancies and allow her business to suffer, or delay and refuse pregnancy to dedicate more time to her business at the expense of her marriage. Though childbirth was not an endeavor pursued exclusively for the benefit of her husband, the trade-off still applies insofar as she received considerable pressure from him to become pregnant quickly.

These expected difficulties materially hindered Peace's business. She was reluctant to expand her business due to her view that it would be discordant with her plans to become pregnant within months. Accordingly, on separate occasions in February and May when she worried she might be pregnant due to feelings of nausea, she reported a reduced likelihood to perform business building activities, such as continuous attendance at her salon, searching for new apprentices, and investigation of new opportunities to physically expand. Even if pregnancy were completely compatible with maintaining the vitality of her business, it was evident that she perceived it not to be the case and calibrated her behavior and ambitions accordingly.

Customers

Peace's venture faced challenges that universally hinder businesses – trouble determining the desires of her customer base, a saturated market, and a less economically resourced customer

base incapable of affording much of what she had to offer. These obstacles made operating a business and generating consistent revenues difficult.

Peace struggled to learn of her customers' needs in a salon, reducing her ability to cater to them. Firstly, the platforms utilized in much of the technology-enabled business world to gain customer insights, such as surveys and loyalty programs, were not common in her community nor even heard of by Peace. The infrastructure and access to online platforms that facilitate the use of these tools did not exist, and the norm to use them had not been established. Beyond the lack of a custom to use any given tool – sophisticated or not – to voice customer concerns, Peace grappled with unwillingness on the part of her customers to formulate and voice opinions at all. When interviewed with the knowledge that their feedback would be used for the purpose of improving Peace's salon, none of the ten customers asked were able to identify areas of improvement, nor were they willing to highlight flaws. Despite that five customers reported being extremely satisfied and five reported being moderately satisfied, customers falling into both groups were unwilling to suggest recommendations or highlight flaws. In some cultures, criticism is seen as constructive or an entitlement of the customer; however, it was viewed as impolite to speak of a business' flaws in this context. This sentiment may have been amplified by particular circumstances, namely that customers were physically inside of the business that they were being asked to evaluate the business in the presence of its staff. However, it is likely that other factors were at play, as customers expressed no greater willingness to confidentially write their ideas or voice them outside of the salon. Even when prompted to make suggestions for the benefit of the salon, customers were unwilling to provide feedback. However, customers were willing to highlight flaws with competitor businesses, such as low quality braiding or disproportionately high prices. The five customers who were completely satisfied insisted that no

other business was better than Bubbles. In the case of the five customers who were moderately satisfied, two were willing to highlight better prices and or service – particularly creativity with styles – at other salons, but when asked directly to confirm that other salons were better on the aforementioned attributes than Peace’s (a logically compatible statement), they refused.

Evidently, it seemed inappropriate and uncomfortable to directly note flaws or shortcomings about a business on its own or in comparison to others. Similarly, suggesting improvements was seen as taboo; it seemed as though such criticisms would constitute a compromise of loyalty.

These findings do not mean that customers are not sensitive to differences in service quality of price; it just means that they are not sharing them with entrepreneurs. Consequently, customers’ resistance to providing constructive criticism limited Peace’s ability to adapt and improve her business.

Moreover, no popular anonymous platform, such as Yelp, were reported to be commonly used for customers to voice opinions and read reviews. Peace not only had no Yelp (or comparable) page, but neither did any known competitors in the area. The negative effects of a lack of such platforms are two-fold. Firstly, customers are unable to indirectly provide anonymous feedback or commentary on the salon, which may have felt more comfortable and discrete to them, further limiting Peace’s ability to get helpful information. In addition, the lack of public platforms to host customer feedback publicly hindered access to valuable information for prospective customers. It is not possible for a customer in Ajegunle seeking the services and price ranges found exclusively in informal salons to broadly crowd-source information on their options. Word-of-mouth was, for most customers, the only way to discover new salons, and so the high quality and suitability of Peace’s salon remained unknown to many potential customers who have not had the fortune of discovering it. In addition, there would necessarily be a

significant lag between when Peace changes her staff, updates her inventory, or releases new services and when customers would discover the availability of them due to the sluggishness of word-of-mouth, causing Peace to lose additional revenue to time. Lastly, without the norm or ability to obtain information on better salons and prices, the emergent norm of “maximizing” often observed in the Global North, is not prominent. Despite that customers might be interested in getting the very best deal, they have no way of verifying the comparative value of any one provider. Whilst in other societies it may be common to search through up-to-date information on all of one’s options to find the best fit or value, Peace’s current and prospective customers, without this information, simply attend the same salon over and over.¹³ Thus, location and word-of-mouth become the primary deciding factors, rather than quality for price, a metric on which Peace believed strongly she could outcompete others. Considering that her prices were on par or lower than competitors’ in the region and the quality of her work and products were above average (according to both Peace and her customers), Peace was at an unmerited disadvantage in customer acquisition.

The second significant disadvantage of Peace’s customer base was the very little discretionary income available to them. Their low purchasing power stemmed from the fact that they came from very low-income households, which is to be expected considering the local demographics of Ajegunle. Furthermore, beauty treatments are not as essential as food, clothing, and other household necessities, and so they are prioritized less by families budgeting limited resources. In addition, women typically are not the breadwinners, which results in their husbands – who control household income – having a greater say in how household resources should be spent. As men are typically not the receivers of beauty treatments, and likely benefit from them

¹³ When asked, customers insisted that they only attend Peace’s salon and do not intend on switching, indicating a likelihood for repeat patronage. However, this may have been a result of a sense of obligation to appear loyal.

less than their wives do (in the sense that they are less likely to be concerned with the enjoyment that accompanies actually receiving the service or have a vested interest in how stylish a woman looks than she does herself), they are not likely to allocate more than what they perceive as the bare minimum towards beauty expenses.

Notably, in the cases where women did visit the salon regularly – which would seemingly run counter to this hypothesis – it was not a result of their unique possession of control over household spend, but the fortune of their preferences aligning with their husbands. Three of the ten interviewed women stated that they updated their hair more frequently or consistently requested a signature style because their husbands preferred that they do so. While the few cases where husbands supported their female partners pursuing beauty services resulted in more frequent patronage of Peace’s business, the majority of cases in which they did not have such support resulted in less frequent patronage.

The unfortunate result of the low spending capacity of Peace’s clientele was an inability to sell products and services that would be more lucrative as a result of their higher price. Peace expressed that she had the skillset to create very complicated, time-intensive hairstyles and use more expensive dry hair products, such as partially and fully real hair extensions real hair extensions in the place of fully synthetic hair extensions. However, without demand for these services simply on the basis that they were outside of her customers’ budgets, she was unable to successfully sell them. For example, Peace had a sizeable collection of real hair pieces available considering her small salon and little capital available for bulk purchase, which included roughly twenty-six pieces. Twenty-six pieces could be used for six-twelve women depending on how voluminous of a style they desired. She estimated that she had possessed them for over a year without being able to sell them. It is unsurprising when considering that a package of real human

hair, sold at-cost to her customers, would cost 5000-6000 naira, whereas a package of synthetic hair can sell for 200-500 naira. It was unlikely that she would ever recoup those costs. Even simple services like braiding needed to be offered at a competitive and affordable price, despite that the quality of Peace's work was, in her view and in the views of five of the ten customers interviewed, of higher quality than other hair stylists' who offered the same price.

Moreover, excellent service did not guarantee more business, as it did not correlate with customers coming more frequently. Despite that Peace and her staff may have done everything right, any given customer may not have the resources to return for the same service regularly. The most enthusiastic customer who expressed immensely high satisfaction with service reported visiting the salon one or less times a month. She mentioned that braiding can be costly, and with the very tight and well done braids she received from Peace, she had no need to come in more often. Thus, the better the service is – which often means a more thoroughly applied treatment or more long-lasting braids – the less necessary it may become for a customer to return for a follow-up and the less revenue Peace could earn. Attempting to cheat customers by doing a worse job would not necessarily increase their rate of visits; they would be more likely to criticize the decrease in quality and go elsewhere. Even with maintained high quality, a customer may purposefully go to a salon with lower quality service if it made more financial sense to them. Ultimately, where a customer wants only to spend when necessary, better service can actually decrease revenue but has little power to increase it.

For customers receiving basic services, additional paid complementary services – such as back massages and deep conditioners – are often rejected due to the customers' unwilling to pay additionally. In some cases, these services, once mentioned, are demanded by the customer free of charge or eventually voluntarily offered by Peace for free because of her desire to please her

customers and inspire them to return. The expectation customers have to be able to haggle for lower prices and bargain, along with their need and determination to do so, further depresses the prices and revenues Peace could maintain.

Consequently, without being able to extract much additional revenue from customers, the only way to earn more is to treat more customers. Such a feat is not easy. The most popular services requested by customers tended to be very time-intensive. Hair treatments such as relaxers (a permanent straightening treatment) can take two to three hours, and braids can take four to ten hours depending on the size of the braids and number of apprentices assisting. With only five chairs – enough space to service five women – it is not necessarily possible to increase the number of customers served. Moreover, there is a high concentration of customers on the weekend and certain peak hours of the day (typically before dinner and after lunch), which can result in Peace rejecting potential customers. Overall, Peace had relatively few options to attract and keep customers and many opportunities to lose them.

Market

An additional threat to Peace's business was a saturated local market. There were many competitors offering identical services, meaning that she could not secure a significant portion of the customer base. On her street alone, within a five minute walk in either direction, there were seven businesses offering the same services. The availability of alternative salons results in tough price competition, and the constant need to keep impressing customers. Although Peace claimed her services were better value for her customers, it would not be possible for customers to easily distinguish upon first sight. The immediately obvious differences between salons – size, cleanliness, and comfort – were not necessarily areas in which Peace was leading. Several of

Peace's competitors had air conditioning units, which are more costly to power than the rotating fans Peace possessed, but provide a more pleasant experience for women to stay in for several hours. Given Peace's low profitability, such an investment was not feasible.

Imperfect information on the seller's side – a result of a lack of websites, price sheets, and online platforms where information is concentrated and available – means that buyers have a greater say on price. Claims that a salon down the street is offering a lower price, or that a friend received a lower price earlier on at a similar salon, cannot be verified, and thus Peace is forced to risk losing a customer over a price dispute or offering a lower price. The consequences of lowering prices are long-term; that same price may be touted by future customers, or the same customer upon returning at a later date, to negotiate a lower fare. Moreover, customers are easy to lose over many other factors aside from price. If Peace's salon closed early, for example, she might lose a customer on that one day who might chose to remain at the new salon they visited, meaning a loss of that customer and their associated revenues in the future.

In addition, the financial tools available to Peace were not conducive to conventional business development. Very high interest rates for loans due to the lack of collateral and credit history in Peace's possession meant that she did not have access to a low-interest, generous line of credit like her counterparts in the Global North. To rent the property for her salon, Peace was required to pay upfront for one to two years' stay – in her case, she opted to confirm the property and price for two years. If anything were to happen to the property, such as wiring connecting lighting to the outside generator becoming faulty or catastrophic event, she would have little recourse against the landowner. She was required to assume almost all risk, and she did not possess insurance of any form as a result of its high cost. Beyond rent, another substantial regular cost is fuel. Oil is used for electricity and for transportation, making Nigeria's wildly fluctuating

oil prices doubly harmful. When prices go up, it becomes not only more difficult to power hair fans, hair dryers, lights, and other tools, but it also becomes less likely that customers have spare money for hair or the means to travel to a salon, as private and public transportation also become more expensive. During the time of this research, oil strikes leading to skyrocketing prices and scarcity were in effect for roughly ten days, which is not uncommon in Lagos. With oil prices reaching four or five times its normal price, and for many being completely unobtainable, Peace arguably would have been better off conserving money and shutting down, but could not have been certain until the end of the week when she confirmed her worst fears of paltry customer turnout. A volatile and unfriendly market left Peace and her business vulnerable to economic shocks and sporadic demand.

Education

Peace lacked formal business knowledge, which crippled her ability to effectively manage her business. Several concepts and skillsets are crucial for a business owner to succeed in a capitalist market. For example, a strong understanding of profitability and how it is calculated is crucial for an entrepreneur to anticipate costs, strategize to cover them, and make money. This requires that an entrepreneur understand where his or her revenues are coming from, what his or her fixed and variable costs are, and that the difference between these two groups of figures is a useful metric to holistically measure a business's viability and recent performance. In Peace's case, these concepts did not appear to be fully understood or valued. Her prices were selected somewhat haphazardly, with an emphasis on beating out competitors and pleasing insistent customers. As a result, some of her prices led to revenues that were completely unaligned with associated costs; in fact, some prices fell below the cost of the services she

offered. For example, she washed hair for 200 naira despite that the cost of enough water to wash one head of hair was 250 naira. Had she been equipped with this knowledge prior, she could have charged more for hair washing, used less water, or insisted on coupling hair washing with other more lucrative services. However, without an awareness of this pernicious discrepancy, she was defenseless to it. Without a basic understanding of key metrics, other important and more complex calculations were out of reach. Peace held a long-time dream of opening a second salon, but return-on-investment and breakeven calculations, necessary to know if the money she would spend on a new business could be recouped, were not within her skillset. Compound interest, which needs to be understood to take out a loan for a new property, was also an unfamiliar concept for her. Considering that defaulting on a loan or investing in a property that would never be profitable could result in bankruptcy, these deficiencies in knowledge prove incredibly harmful.

In addition, Peace lacked an understanding of how to market her business and did not seem to be aware of its importance. Despite the unaffordability and lack of formal marketing opportunities like print and audio advertisements, free alternatives like strategic use of word-of-mouth exist. Clear communication of a salon's services and positive traits could be useful, but these options were never considered by Peace as a useful pursuit. Constructing a pitch for herself and her salon had not crossed her mind; when asked why her salon was better than others, she simply insisted that it was, and a long, guided conversation was necessary to extract concrete pieces of evidence. Without the ability to defend one's prices or explain one's value proposition, an entrepreneur could easily lose business to customers who are needlessly unconvinced of what they stand to gain by choosing to patronize their establishment.

Objectives of entrepreneurship and evaluation of successful microenterprises

In the Global North, a successful entrepreneur is informally understood to be someone who develops a profitable and sustainable business. The entrepreneur needs to be able to scale their business to include more sophisticated operations, a sizeable staff, and penetrate new markets. Eventually, the entrepreneur must capture a substantial share of a worthwhile market, either by gaining traction in an existing market or reshaping the market around their new value proposition for their customers. Large companies like Ford Motor Company, Kraft Foods Company, and Facebook have developed their reputations and household recognition as sturdy, successful enterprises because of their ability to succeed by these criteria. This informal understanding stems from the founding philosophy of capitalism, the framework that both requires and is facilitated by for-profit business. Milton Friedman's *The Social Responsibility of Business Is to Increase Its Profits* provides ample justification: he explains that businesses ought to "make as much money as possible while conforming to the basic rules of society."¹⁴ The most effective way to create economic value, and what many would argue is consequently social value, is to build and expand businesses that are lucrative in the long-term.

In addition to the aforementioned notion of a successful entrepreneur, there is a complementary informal understanding of smaller businesses that either fail to or choose not to expand or follow the footsteps prescribed for a "successful entrepreneur." This model, for the purposes of this paper, will be called "small-scale enterprise." Beyond the definition of Micro, Small, and Medium-Sized Enterprises (MSMEs), which are characterized in Nigeria by USAID as having one to five, six to twenty, or twenty-one to fifty employees respectively, the term

¹⁴ Milton Friedman, "The Social Responsibility of Business Is to Increase Its Profits," *Corporate Ethics and Corporate Governance*: 174.

“small-scale enterprise” attempts to capture not only the size of the company, but also the managing philosophy: the company will remain small as a result of either the managing entrepreneur’s preference or the inability to scale inherent in the business model, market, or managing entrepreneurs competences.¹⁵ Particularly in countries like Nigeria that are growing rapidly and have sizeable, booming informal economies, such businesses are incredibly common. Small-scale businesses often take the form of family-owned businesses hiring and serving local customers. Small-scale entrepreneurs forgo the fame and fortune that accompany growth of their business for a lower-risk, lower-hassle, and often less difficult lifestyle of maintaining a smaller business with a tried and true model. There are multiple reasons to aspire to have a small-scale business rather than a larger one; entrepreneurs may not have the skillset to investigate opportunities to scale, they may have failed or anticipated failure, or they may not have access to the capital and skilled, trustworthy staff needed to scale. Of most interest to this particular case is the common scenario in which entrepreneurs purposefully trade-off the opportunity to have a “successful” large-scale business for a small-scale enterprises, often because of a lower valuation of profit once a certain threshold has been reached. Other factors may weigh into their decision; for example, this variety of entrepreneur may prefer the intimacy and community involvement of a small business, and their business may serve socio-cultural purposes that transcend or match economic purposes.

Having determined broadly that these two mutually exclusive types of business exist (though they are not collectively exhaustive), it is crucial to understand which of these most scholarly research assumes women aspire to build. The premise often behind research on women entrepreneurs – and entrepreneurs generally - is that without interference and with sufficient

¹⁵ Khrystyna, Kushnir, "How Do Economies Define Micro, Small and Medium Enterprises (MSMEs)?" Companion Note for the MSME Country Indicators, *International Finance Corporation* (2010): 90.

support, they would aspire to have and be able to create large, “successful” businesses.

Logically, this follows; if one desires to build a business for economic empowerment, a bigger, more profitable venture would be preferred. However, observations on-ground reveal that not only do many women entrepreneurs in certain cultural contexts likely not desire to have “successful,” large ventures, but furthermore do not see maximized profitability as an end goal. The micro-enterprise that served as the object of this research modeled a small-scale enterprise focused primarily on positive externalities to the proprietor’s community, actualized through the creation of a site for apprenticeship and mentorship of young girls, rather than on absolute profits, and within this context, the viability of her business can more accurately be assessed.

ALTERNATIVE GOALS OF WOMEN ENTREPRENEURS

It is crucial to consider what the objectives of women entrepreneurs are before engaging in an evaluation of the value of their enterprises. Several key circumstances that apply to Peace and many women like her allow for the discussion to be more productively reframed.

Firstly, once a woman is married, it is assumed that her husband will financially provide for her and her family. As a result, women who marry are less dependent on the profits of their business to sustain themselves, and thus are more empowered to optimize their business for other objectives, which could jeopardize profits. These objectives could include additional leisure time; for example, women may choose to have fewer or inconsistent business hours to spend more time in the home and may view their business as a hobby. These objectives could also be more community oriented; a woman may choose to hire more staff than needed to meet customer demand simply to support more women – either by paying them for their labor or training them as apprentices – which could cut into her share of the profits unnecessarily.

Peace seemed to meaningfully be a part of a tight network of women companions, and it was a priority for her to use her business to uplift them and provide a female-centered space for socializing. In her case, relatives, friends and their daughters, and her church group formed the majority of her gendered community, which she valued highly. Her sense of worth and pride seemed to depend at least partly on how this community perceived her. It was from this community that she pulled all of her apprentices and staff. Peace spoke cheerily about the opportunity to teach and support other women, who could then create their own hair salons or stand to earn money from working in her salon. For other women, learning hairstyling via apprenticeship was an opportunity to gain a skillset that could be monetized if needed in the future, providing a sort of insurance in the case of divorce or financial hardship, or simply used on their own family members. Peace's prioritization of supporting other women in her community was exemplified by her recruitment of seventeen apprentices – a far greater number than was needed or even comfortably housed in her salon. Even when several customers were in the salon, it was not physically feasible for more than two to three people to work on each one, resulting in many of her apprentices simply observing. In addition, her commitment to stay in Ajegunle rather than relocate to Igando, which would have been more practical and would have exposed her to a wealthier customer base, further demonstrates that her community and dependents took precedent. The correlation between increased earning potential in women and the channeling of the benefits towards other women has been previously documented; research confirms that women who earn money in developing economy contexts are more likely than their husbands to spend it on the advancement and wellbeing of their daughters, who in turn are better off.¹⁶

¹⁶ Duncan, Thomas, "Like Father, like Son; Like Mother, like Daughter: Parental Resources and Child Height," *The Journal of Human Resources* 29 (1994): 952.

Peace's commitment to her apprentices was well received; twelve out of seventeen said in interviews that Peace was either a mother or role model to them, and all seventeen expressed a desire to replicate Peace's career trajectory and open their own salons. Peace was furthermore described as a patient and caring teacher by six of her apprentices. Moreover, in times where Peace's business was not particularly profitable, she ensured her one paid worker received her salary before taking any profit for herself; in some cases this resulted in Peace receiving little to no income despite her worker receiving 10,000 naira for the month.

A second motivation to operate her micro-enterprise unrelated to its profitability is its effect on Peace's sense of agency and esteem. Peace expressed great satisfaction and independence in earning her own money and possessing her own enterprise. She also expressed that this translated to a greater sense of decision-making power in her household. Regardless of the comparatively low and uncertain profit retained by Peace for the immense input of work, the act of earning money that was strictly her own was valuable to her. This motivation for creating a business is not uncommon – a study of two hundred Nigerian women receiving entrepreneurship training revealed that increased independence was group members' primary motivation.¹⁷ Having such autonomy was doubtlessly a source of prestige and confidence for her. This sense of accomplishment and prestige was likely amplified by her sense that she had mastered her craft, reflected in her unwavering belief that her services were of top quality.

It is unsurprising that despite significant time and money commitments, questionable profitability, and immense risk and effort that Peace has kept Bubbles' doors open in Ajegunle – the non-material benefits to her community and sense of self appear to be the driving factors behind her entrepreneurial efforts. The social value of women-owned enterprises has been

¹⁷ Foluke Ademokun and Olumide Ajayi, "Entrepreneurship Development, Business Ownership and Women Empowerment in Nigeria." *Journal of Business Diversity* 12 (March 2012): 72.

established in the context of Western African economies in previous research. According to *Women Entrepreneurship and Economic Development*, “women’s entrepreneurial activities are not only a means for economic survival but also have positive social repercussions for the women themselves and their social environment.”¹⁸ Peace is an exceptional example of this powerful effect of women micro-entrepreneurs.

CONCLUSION

Ultimately, a detailed observation of Peace’s business operations offers several key insights both into the challenges women micro-entrepreneurs may face in Lagos and into opportunities for them to thrive. Familial support and a team of staff large enough to compensate for each other’s busy schedules could help to mitigate the setback of pregnancy, marriage, and relocation. Moreover, dedicated education and training programs for women could provide the vital basics needed to accurately determine profitability and design prices, operations, and select services to ensure a business is sustainable. Though the volatility and low purchasing power of her local economy is inevitable, an insurance program to protect Peace from some of these risks could be incredibly helpful.

Crucially, the purpose of micro-enterprises in different sociocultural and political economic contexts needs to be reconsidered. Alternative motives, such as women’s empowerment, independence, and employment may take precedent over sheer profits and govern decision-making in some spaces. In developing world contexts, businesses could be created with the purposes of empowering women, giving them autonomy and prestige in their communities,

¹⁸ Sanjay Tiwari and Anshuja Tiwari, *Women Entrepreneurship and Economic Development*, (New Delhi: Sarup & Sons, 2007): 187.

and forming tight-knit circles of mentorship. Insofar as external bodies are willing to support them, profitability may not be mutually exclusive with these internal purposes, as it could also be a secondary motive. Approaching women-owned enterprises as social enterprises and positive contributions to their communities instead of money-making ventures could be a potential way to extract more social value from women-owned businesses in Lagos while supporting their economic sustainability.

Figure 1: Bubbles Salon



Figure 2: Generator powering Bubbles Salon



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