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Institutional Constraints and Women's Entrepreneurship financing in Oyo State, Nigeria: Implications for Inclusive Economic Growth

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Abstract
Globally, women own and manage more than 200 million businesses. In Nigeria, they constitute over 50% of the entrepreneurial population, highlighting their substantial participation in business activities. Despite these notable contributions, women entrepreneurs continue to encounter numerous challenges, including limited access to finance, sociocultural barriers, inadequate networking opportunities, and restrictive regulatory frameworks. These constraints often undermine their capacity to secure and sustain the financial resources necessary for business expansion and long-term growth. This study, therefore, examined the institutional constraints affecting access to entrepreneurial finance among women entrepreneurs in Oyo State, Nigeria, and explored the implications of these constraints for inclusive economic growth. The study adopted a mixed-methods design and was anchored on the Institutional Theory by Scott. Quantitative data were collected through the administration of structured questionnaires to 140 purposively selected female entrepreneurs and analysed using descriptive and inferential statistical techniques. Additionally, in-depth interviews were conducted with 20 female entrepreneurs and responses were transcribed and analyzed thematically in line with the study's research objectives. The findings revealed that personal savings, bank loans, and microfinance institutions constitute the primary sources of business financing for women entrepreneurs in Oyo State. Furthermore, certain institutional constraints such as poor laws and regulations, high interest rates, limited access to financial opportunities, and other systemic barriers serve as major impediments to women's entrepreneurial activities. The study recommends that the Nigerian government should review and streamline existing regulatory frameworks governing business registration and operation, particularly those affecting women-owned enterprises.

Keywords: Gender based institutional constraints, women entrepreneurship finance, Inclusive Economic Growth

Introduction

Women are increasingly breaking new ground across local, regional, and global economies, including in the domain of entrepreneurship. Women's participation in entrepreneurial activities is widely regarded as vital to economic growth and has attracted considerable attention from stakeholders such as governments, policymakers, academics, politicians, non-governmental organisations, and international agencies. Kwueze (2022) observes that women's entrepreneurship also functions as a significant source of income generation and women's empowerment, enhancing family income, supporting household per capita income, reducing the dependency ratio, increasing children's educational attainment, improving family health and well-being, strengthening food security, and building household asset portfolios, thereby contributing to long-term economic development. Women are reported to own approximately 50% of enterprises (Omiunu, 2014; 2019) and account for over 49.8% of Nigeria's Gross Domestic Product (GDP) (Adeyemi *et al*., 2021).

Globally, women operate over 200 million businesses (Global Entrepreneurship Monitor, 2025). Nigeria's rate of women's entrepreneurship is notably higher than the global average, with over 50% of Nigerian women engaged in entrepreneurial activity (Okafor & Mordi, 2010; The Lagos State Employment Trust Fund, 2018). Prominent Nigerian women entrepreneurs, including Linda Ikeji, Bilikiss Adebiyi, Stephanie Obi, Yasmin Belo-Osagie, Yemisi Odusanya, and Ola Orekunrin, among others, have made significant contributions to the country's entrepreneurial landscape (The Lagos State Employment Trust Fund, 2018; Ajumobi, 2025; Leading Ladies Africa, 2026).

Despite these substantial contributions, women entrepreneurs continue to face numerous challenges, including cultural and societal barriers, limited access to finance, restricted networking opportunities, and regulatory constraints, all of which impede their ability to secure the finance needed to establish, sustain, and grow their businesses (Global Entrepreneurship Monitor, 2025). Consequently, women-owned businesses are 47% more likely to close than those owned by men (Global Entrepreneurship Monitor, 2025). Additionally, women-owned businesses tend to operate in the shadow, underserved, and undercounted because they are often excluded from the interventions of government leading to policy vacuum (Jideani, 2025).

Institutional constraints represent another significant barrier to financial access and constitute a critical challenge to business growth and sustainability. Amine and Staub (2009) and Ghosh, Ghosh, and Chowdhury (2017) provide growing evidence that women entrepreneurs in less developed economies such as Nigeria face numerous institutional constraints, encompassing discriminatory laws, regulations, and social norms. Panda (2018) and Gashi *et al*. (2022) similarly observe that women entrepreneurs in less developed economies contend with limited legitimacy and social acceptance, as well as an absence of laws and regulations capable of mitigating the discrimination and marginalisation they experience.

Saleem, Asif, and Lodhi (2022) likewise note that institutional factors can hamper and discourage women's entrepreneurial financing. Ghosh *et al*. (2017) demonstrate that collateral disputes, protracted loan approval processes, preconceived and conservative attitudes among lending staff, undue suspicion, and the complexity of loan processing are among the principal institutional issues affecting women's access to entrepreneurial finance. Afri Global (2024) further notes that policy, regulatory, and institutional constraints continue to limit women's access to finance for enterprise development.

Drawing on the works of Amine and Staub (2009), Ghosh *et al*. (2017), Panda (2018), Saleem *et al*. (2022), Gashi *et al*. (2022), and Afri Global (2024), it is evident that women entrepreneurs face numerous institutional constraints that affect their access to finance for business development. However, these findings are drawn from broader populations and may not be readily generalisable to the specific context of women entrepreneurs in a less developed country such as Nigeria. Given the expanding role of women's entrepreneurship in economic growth and the rising rate of women's entrepreneurial activity in Nigeria, there is a need for more context-specific research focused on the Nigerian environment. Such research could yield more accurate and precise findings tailored to the geographical and institutional realities of Nigerian women entrepreneurs, thereby informing more effective and targeted policy aimed at enhancing their access to finance and improving business performance. This, in turn, could strengthen the nation's capacity to foster inclusive economic growth and development, suggesting that women's participation in entrepreneurship may be instrumental in advancing inclusive economic growth in Nigeria.

The concept of inclusive economic growth is comprehensive in scope, emphasising policies that enhance national wealth and well-being while reducing poverty, ensuring inter-generational equity, and preserving economic freedoms, particularly with respect to women entrepreneurs (Agarwal, 2024). It further ensures that economic growth extends equal access to resources and well-being across the entire population, including women, and thus requires full respect for human rights (UNDP, 2026). Accordingly, this study examines the institutional constraints affecting women's entrepreneurial finance with a view to understanding their implications for inclusive economic growth in Nigeria.

Theoretical Framework

This study adopts the institutional theory advanced by Scott (2001), which explains how female entrepreneurs are persistently disadvantaged and face significant obstacles in accessing the support needed to enhance business performance. Scott (2001) classifies these institutional challenges into three distinct pillars, as presented in Table 1.

Table 1: Three Pillars of Institutional Theory

Formal (Regulative)	Coercive	Laws, regulations, and government policies.
Informal (Normative)	Social Obligation	Social norms, values, and industry standards.
Cognitive (Cultural)	Taken-for-granted	Shared beliefs and the unquestioned "way things are done".

According to Scott (2001), the institutional environment within which women entrepreneurs tend to operate could be analyzed systematically through three pillars of the institutional theory. The formal pillar is coercive in nature and operates through formal regulations such as laws, regulations, and government policies. It covers several forms of codified rules, statutes, and policies that are established by the authoritative entities which could be governments, regulatory agencies, industry regulators, and others. Such laws include those that govern various financial transactions, issues related to property rights, business registration requirements, and also the anti-discrimination statutes. Since they are coercive in their nature, the regulations could serve either as formal constraints or formal enablers to impede or facilitate the access to finance by women entrepreneurs. For example, the prevalence of inadequate legal protections, particularly for women may pose significant barriers, whereas certain progressive policies that promote gender equality and effective financial inclusion for women could serve as catalysts towards women entrepreneurial empowerment.

The informal pillar is normative, encompassing social obligations, norms, values, and industry standards. The informal pillar are not codified legally but could be socially enforced and tend to shape the various perceptions, attitudes, and behaviours toward women entrepreneurs. It also tends to influence certain degree of societal support or resistance they may encounter. For example, bad societal beliefs about gender roles which could foster negative stigmas that are attached to women's financial independence could foster social sanctions or biases that could limit the access to credit, poor mentorship, or networks that are essential for women's entrepreneurial success. The cognitive pillar comprises shared beliefs and the largely unquestioned "way things are done." It also implies certain shared mental models, routines, and also certain assumptions that are taken for granted but tend to define "the way things are done" particularly in a certain context. This could cut across deep beliefs about gender roles, entrepreneurial norms, among others prevalent and hampering women entrepreneurship.

Drawing on Scott's (2001) institutional theory, this study hypothesized that these formal, informal, and cognitive factors may exert either a positive or negative influence on women's access to entrepreneurial finance and, by extension, on inclusive economic growth in Nigeria, a central focus of the present research. For example, the existence of progressive formal regulations that tend to promote gender equality could foster better financial access to

women entrepreneurs, whereas deep-rooted social norms and cognitive biases could serve as major barriers. Conversely, the persistent absence of certain supportive policies for women entrepreneurs, couple with a strong normative and also cognitive constraint could pose severe restriction on women's financial access and participation, thereby serving as impediments to women entrepreneurial process and development.

This framework offers insight into the principal institutional constraints confronting women entrepreneurs in accessing financial support and the consequent effects on inclusive economic growth. Such insights may inform policymakers, government agencies, practitioners, and researchers of the strategies required to promote women's economic empowerment and thereby strengthen the prospects for inclusive economic growth in the nation.

Materials and Methods

This study adopted a mixed-methods design, utilising both quantitative and qualitative approaches sequentially. The quantitative component employed a correlational survey by using a self-structured questionnaire to elicit data from the population of interest, namely women entrepreneurs in Oyo State, while the qualitative component employed an interview guide to obtain responses to the study's research questions from participants. The study population comprised women entrepreneurs in Oyo State. The inclusion criteria required participants to be women entrepreneurs based in Oyo State, Nigeria, who had maintained ownership of their businesses for up to five years.

The study employed non-probability sampling techniques, including purposive, accidental, and snowball sampling, to reach women entrepreneurs by administering 140 copies of the questionnaire) across Oyo State, Nigeria

The primary data collection instrument was a structured questionnaire designed to elicit comprehensive and relevant information from women entrepreneurs in Oyo State. The questionnaire was developed following a critical review of validated instruments used in prior studies on women entrepreneurs in Oyo State, with appropriate modifications to reflect the local context and the specific target population of this study. The instrument was organised into several sections to capture the study's objectives and research questions. It was assessed for content and construct validity and subsequently subjected to reliability testing using a sample of 10 women, yielding a Cronbach's alpha of 0.731, indicating that the instrument was highly reliable.

Data analysis was conducted using the Statistical Package for the Social Sciences (SPSS), version 26.0, employing both descriptive and inferential statistics from which inferences were drawn regarding the study population. The descriptive statistics used included frequency, percentage, and mode, while the inferential statistics comprised Multiple Regression analysis, ANOVA, and ANCOVA, with inferences drawn at the 0.05 level of significance. For the qualitative component, interview responses were recorded and transcribed, and thematic analysis was employed to analyse participants' responses in relation to the study's research questions.

Results

The findings of this study are presented in accordance with the study's research objectives, beginning with the demographic characteristics of the respondents.

Demographic Characteristics

The demographic characteristics of the women entrepreneurs sampled in Oyo State are presented in Table 1 below.

Table 1: Distribution of Socio-Demographic Variables of Respondents (n=140)

Variable	Category	Frequency	Percentage (%)
Age Group	31-40 years	30	21.4
	40-50 years	40	28.6
	Above 51 years	70	50.0
	total	140	100
Highest Educational Level	OND	20	14.3
	BSC	90	64.3
	MSc	20	14.3
	PhD	10	7.1
	Total	140	100
Marital Status	Single	10	7.1
	Married	130	92.9
	total	140	100
Religion	Christianity	120	85.7
	Islam	20	14.3
	total	140	100
Years of Business Experience	Below 5 Years	0	0
	6-10 years	60	42.9
	Above 10 years	80	57.1
	total		
Other Employment	Yes	50	35.7
	No	90	64.3
	total	140	100
Household Size	Below 3	60	42.8
	4-5	40	28.6
	Above 5	40	28.6
	total	140	100

The demographic data presented in Table 1 indicate that respondents aged 51 years and above constituted the largest proportion of the sample (70%), followed by those aged 31-40 years (28.6%), suggesting that the majority of respondents were above 51 years of age. The results further show that 64.3% of respondents held a Bachelor's degree, while only 7.1% held a PhD, indicating that most respondents were first-degree holders. Additionally, 92.9% of respondents were married, compared with 7.1% who were single, and 85.7% identified as Christian, compared with 14.3% who identified as Muslim, indicating that the majority of respondents were married and Christian. Moreover, 57.1% of respondents had over ten years of business experience, while 42.9% had between six and ten years of experience, indicating that most respondents were well established in their businesses. Nevertheless, 35.7% of respondents maintained other forms of employment alongside their entrepreneurial activities. In terms of household composition, 42.8% of respondents reported a household size of three, while 28.6% reported household sizes of four to five and above five, respectively. These demographic characteristics suggest that many respondents combine entrepreneurship with other forms of employment to meet family needs, consistent with the finding that the majority are married and have dependents to support. The business-related characteristics of respondents are presented in Table 2 below.

Table 2: Distribution of Business Information Variables of Respondents (n=140)

Variable	Category	Frequency	Percentage (%)
Business Sector	Wholesale and Retail	30	21.4
	Agriculture	20	14.3
	Transportation and Storage	10	7.1
	Catering and event planning	10	7.1
	Cake and confectioneries	10	7.1
	Fashion	10	7.1
	Clothings	10	7.1
	Wholesale and Retail; Arts, entertainment and Recreation	10	7.1
	Real Estate Activities	10	7.1
	Education	10	7.1
	Agriculture; Wholesale and Retail	10	7.1
	Total	140	100
Legal Status	Sole Proprietorship	110	78.6
	Private Limited Liability Company	30	21.4
	Total	140	100
CAC Registration	Yes	110	78.6
	No	30	21.4
	Total	140	100

Business Ownership Duration	Below 5 Years	0	0
	6-10 years	60	42.9
	Above 10 years	80	57.1

Source: Field Survey, 2026

The distribution of business information presented in Table 2 shows that wholesale and retail businesses accounted for the highest proportion of respondents (21.4%), followed by agriculture-related businesses (14.3%), while other business categories, including catering and event services and fashion, each accounted for a lower proportion (7.1%). This suggests that wholesale and retail trade is the predominant business activity among the women entrepreneurs sampled in this study. The results further reveal that 78.6% of businesses operate as sole proprietorship, while 21.4% are registered as private limited liability companies. Moreover, 78.6% of businesses are registered with the Corporate Affairs Commission (CAC), while 21.4% remain unregistered, indicating that most respondents comply with the government's business registration requirements.

Sources of Finance for Women Entrepreneurs

Table 3: Distribution of women entrepreneurs by Sources of Finance (n=140)

Variable	Category	Frequency	Percentage (%)
Personal savings	Yes	110	78.6
	No	30	21.4
	total	140	100
Bank loans	Yes	40	28.6
	No	100	71.4
	Total	140	100
Microfinance institutions	Yes	60	42.9
	No	90	57.1
	total	140	100
Friends	Yes	10	7.1
	No	130	92.9
	total	140	100
Family	Yes	20	14.3
	No	120	85.7
	total	140	100
Grants	Yes	0	0
	No	140	100
	Total	140	100

Source: Field Survey, 2026

The results in Table 3 show that personal savings was the most frequently used source of finance among women entrepreneurs (78.6%), followed by

microfinance (42.9%) and bank loans (28.6%). Women entrepreneurs also drew on friends (7.1%) and family (14.3%) as additional sources of finance for business development. Notably, the results indicate that grants were not accessed as a source of finance by women entrepreneurs in Oyo State. This suggests that personal savings, bank loans, and microfinance constitute the principal sources of business finance among women entrepreneurs in Oyo State.

These findings were corroborated by the Key Informant Interview, in which one informant stated that:

> "Banks ask for collateral which I sincerely I don't have and even if I want to use any, the land we have is in my husband's name, this made them to reject my application for the loan. Also, at the microfinance office, the interest rate is very high, which I could affect my payment ability and my business." *(KII/Female/Entrepreneur)*

This response highlights a common barrier which is collateral requirements facing women entrepreneurs in accessing formal financial services. Collateral demands posed disproportionate disadvantage on women entrepreneurs because of high social and legal constraints. Another participant stated that:

> "Many of the women business rely on savings groups, rotating savings and credit associations, and cooperatives because they are easily accessible, flexible, and are acceptable in the community. They don't need any collateral, all that is expected from one is to be part of the association and cooperative, and with time, one would have full access to finance and loan but at interest rate that is affordable." *(KII/Female/Entrepreneur)*

This statement tends to reflect the critical role that informal financial institutions such as savings groups and cooperatives perform in facilitating access to finance among women entrepreneurs, particularly where the formal financial institutions source fall short in meeting their increasing demands. Such informal financial institutions tend to be very vital in providing financial services to women and operate on the level of the provision of social collateral and peer trust therefore, bypassing the increasing demand of collateral requirements from the formal financial institutions which often hinder access to formal credit for women entrepreneurs. In addition, they operate very flexible and are culturally acceptable, making them a very essential component of women's financial inclusion strategies for women empowerment.

> "Women businesses find problem often with access to fiancé, and often depend on personal savings or family members, relatives, and others for financial assistance. This could come through gifts, loans, and several others and could be highly trusted in access." *(KII/Female/Entrepreneur)*

This response tends to underscore the potential reliance of women entrepreneurs on another informal source of finance such as personal savings, family, and friends. These financial sources are often more accessible and even trusted than the formal financial institutions. Due to the elastic barriers faced by women entrepreneurs to access formal credit, particularly due to the lack of collateral, credit histories, or formal business registration, women eventually make most women entrepreneurs to turn to such informal financial sources.

> "Poor government policies, instability, weak enforcement and unclear regulations hinder business scaling as many of us often lack the necessary and needed collateral, business registration, formal accounts and tax records to obtain money from banks hence, limit the access to formal finance." *(KII/Female/Entrepreneur)*

This statement points out to the prevailing potential of the macro-level structural barriers and its negative effect on women access to finance such as policy weaknesses, political instability, and so. Thus, effective regulatory environments, strong policy that empowers women entrepreneur and enhanced financial inclusion are very much essential for increasing access to financial sources among women entrepreneurs. This further confirms that personal savings, bank loans, and microfinance are the principal sources of business finance among women entrepreneurs in Oyo State.

Institutional Constraints faced by Women Business Entrepreneurs

Table 4: Distribution of Women Entrepreneurs by Institutional Constraints faced (n=140)

S/N	Institutional Constraints	SA (%)	A (%)	D (%)	SD (%)
1	Poor government policies for women businesses	90(64.3%)	40(28.6%)	10(7.1%)	0(0.0%)
2	Government instability	90(64.3%)	40(28.6%)	10(7.1%)	0(0.0%)
3	Poor Laws and regulations	90(64.3%)	50(35.7%)	0(0.0%)	0(0.0%)
4	Limited access to financial opportunities	90(64.3%)	40(28.6%)	0(0.0%)	10(7.1%)
5	Limited access to networks and mentors	40(28.6%)	90(64.3%)	0(0.0%)	10(7.1%)
6	Lack of collateral	50(35.7%)	60(42.9%)	20(14.3%)	10(7.1%)

7	High interest rates	90(64.3%)	50(35.7%)	0(0.0%)	0(0.0%)

Source: Field Survey, 2026

The information presented in Table 4 illustrates the institutional barriers that constitute major obstacles to the growth and success of women-owned businesses. The results indicate that poor laws and regulations and high interest rates represent the most significant institutional problems faced by women entrepreneurs in Oyo State, Nigeria. Other institutional problems affecting women entrepreneurs in Oyo State include poor government policies for women's businesses (92.9%), government instability (92.9%), limited access to financial opportunities (92.9%), and limited access to networks and mentors (92.9%). These findings indicate that women entrepreneurs in Oyo State face multiple institutional constraints that adversely affect their businesses.

These findings were similarly affirmed by the Key Informant Interview, in which informants noted that:

> "Women business entrepreneurs are not often aware of the financial sources and products that are available to them, and even how to access such opportunities stand as mayhem to them, and this is also compounded by the low rate of financial literacy, particularly among women business entrepreneurs." *(KII/Female/ Entrepreneur)*

This reveals that financial literacy is very germane to influencing the ability of women to access and effectively utilize available financial services. A low financial literacy among women entrepreneurs could hamper their capacity to be able to navigate along complex financial products and services towards meeting their financial demand for business growth and development thus, the lack of awareness about the available funding sources and financial tools could lead to underutilization of financial inclusion initiatives among women entrepreneurs.

> "Although there are policies that tend to support women business entrepreneurship, but they are not well implemented hence, leading to the prevalence of weak institution, fragmented and poorly coordinated institutions that could aid access to finance for women business entrepreneurs. This could in extension reduce the impact or performance in the long run." *(KII/Female/Entrepreneur)*

The statement above reveals the presence of policy gaps and weak institutional frameworks which serve as common barriers to the economic empowerment among women. Thus, effective policy implementation tends to require a

coordinated effort across several government agencies, financial institutions, and development partners.

> "The existing process for accessing loan or finance for women business entrepreneurs is very lengthy such as the the processes of business registration, obtaining licensing, tax compliance issues, and others hence, creating barriers for women, especially those who do not possess the unlimited administrative capacity to access such finance.' *(KII/Female/Entrepreneur)*

The statement above reveals the complex administrative procedures that tend to pose significant obstacles to women entrepreneurs such as streamlining registration, licensing, and tax processes have been identified to improve business formalization and also access to financial. This confirms that women entrepreneurs in Oyo State face multiple institutional constraints that affect the growth and development of their businesses.

Institutional Constraints Impact on Women revenue and Performance of Women Business Entrepreneurs

The regression analysis of the impact of institutional constraints on the revenue and performance of women entrepreneurs in Oyo State, Nigeria is presented in Table 5 below.

Table 5: Regression Analysis for Impact of Institutional Constraints on Women Business Entrepreneurs (n=140)

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.661	.382		20.064	.000
	Poor government policies for women businesses	-.694	.257	-.058	-2.700	.007
	Government instability	-7.017	.314	-.539	-22.321	.000
	Poor Laws and regulations	-3.594	.237	-.284	-15.160	.000
	Limited access to financial opportunities	-4.105	.206	-.403	-19.948	.000
	Limited access to networks and mentors	-2.475	.357	-.209	-6.939	.000
	Lack of collateral	-.671	.108	-.066	-6.187	.000
	High interest rates	-8.893	.229	-.708	-38.803	.000
a. Dependent Variable: Business revenue and Performance b. R = .968[a] R Square = .937 Adjusted R Square = .936						

The results in Table 5 reveal that all institutional constraint variables were statistically significant ($p < 0.05$): poor government policies for women's businesses ($t = -2.700$; $p = .007$), government instability ($t = -22.321$; $p = .000$), poor laws and regulations ($t = -15.160$; $p = .000$), limited access to financial opportunities ($t = -19.948$; $p = .000$), limited access to networks and mentors ($t = -6.939$; $p = .000$), lack of collateral ($t = -6.187$; $p = .000$), and high interest rates ($t = -38.803$; $p = .000$). These findings indicate that poor government policies, government instability, poor laws and regulations, limited access to financial opportunities, limited access to networks and mentors, lack of collateral, and high interest rates collectively affect the business revenue and performance of women entrepreneurs in Oyo State, Nigeria.

These findings were further corroborated by the Key Informant Interview, in which informants affirmed that:

> "The lack of access to finance among women business entrepreneurs tend to serve as major constraint to business revenue, profiting and also in the expansion of the business hence, women business entrepreneurs tend to be unable to expand or invest in certain new businesses, or purchase better technology that could provide the resonance for business expansion and foster effective business growth and development hence, restricting the possibility for business growth and scalability." *(KII/Female/Entrepreneur)*

The above statement reveals that access to finance is universally recognized as a major enabler of women's business growth hence, limited financial resources could prevent women entrepreneurs from expanding their business, upgrading in the use of technology, and entering new markets.

> "There are certain increasing regulatory issues and also the lack of formal recognition, particularly for women business entrepreneurs hence, women business tends to limit their operation informally, which tend to limit their access to the formal system." *(KII/Female/ Entrepreneur)*

The statement above revealed that regulatory barriers such as cumbersome registration processes, licensing, and recognition requirements tend to discourage formalization among women entrepreneurs because they tend to informally limit access to formal credit, legal protections, and government support, thereby posing elastic constrains on business growth and sustainability.

> "The prevalence of limited capital and also access to credit that could be used for business growth and

> development could increase the propensity for the risk of failure in business, particularly at periods of economic downturns and shocks. This could also lead to slower business expansion, fewer employment opportunities, and also could reduce the propensity for income generation." *(KII/Female/Entrepreneur)*

This response tends to underscore the limited access to finance that heightens women's vulnerability to economic shocks and also hampers the effective deployment of resilience strategies. For example, during economic downturns, women businesses with insufficient capital could be less able to withstand such shocks thus, leading to business closures. This suggests that women-owned businesses face multiple institutional constraints that limit their access to finance, thereby affecting their business revenue and performance in Oyo State, Nigeria.

Implications of these constraints for inclusive economic growth by focusing on job creation, poverty reduction, and others for women

The analysis of the implications of these institutional constraints for inclusive economic growth, with particular focus on job creation, poverty reduction, and related outcomes among women entrepreneurs in Oyo State, Nigeria, is presented in Table 6 below.

Table 6: Analysis for the Implication of the Institutional Constraints on Inclusive economic growth of Women Business Entrepreneurs (n=140)

Tests of Between-Subjects Effects						
Dependent Variable: Inclusive economic growth						
		Type III Sum of Squares	Df	Mean Square	F	Sig.
Intercept	Hypothesis	30303.736	1	30303.736	484.398	.001
	Error	149.362	2.388	62.560[a]		
Poor government policies for women businesses	Hypothesis	44.205	1	44.205	8.740	.003
	Error	4845.637	958	5.058[b]		
Government instability	Hypothesis	173.875	1	173.875	70.609	.000
	Error	2371.379	963	2.462[b]		
Poor Laws and regulations	Hypothesis	32.809	1	32.809	12.588	.000
	Error	2496.871	958	2.606[b]		
Limited access to financial opportunities	Hypothesis	2.795	1	2.795	1.072	.301
	Error	2496.871	958	2.606[b]		
Limited access to networks and mentors	Hypothesis	.047	1	.047	.018	.893
	Error	2496.871	958	2.606[b]		
Lack of collateral	Hypothesis	2.301	1	2.301	.883	.348
	Error	2496.871	958	2.606[b]		
High interest rates	Hypothesis	1.890	1	1.890	.725	.395

	Error	2496.871	958	2.606[b]		
Revenue growth	Hypothesis	73827.392	12	6152.283	1.216E3	.000
	Error	4845.637	958	5.058[b]		
Profitability	Hypothesis	3951.869	6	658.645	.935	.659
	Error	704.644	1.001	704.132[d]		
Revenue growth * Profitability	Hypothesis	780.620	1	780.620	299.508	.000
	Error	2496.871	958	2.606[b]		
a. .030 MS(Revenue growth) + .025 MS(Profitability) - .029 MS (Revenue growth * Profitability) + MS (Error)						
b. MS (Error)						
c. MS (Revenue growth * Profitability) + .147 MS (Error)						
d. MS (Revenue growth * Profitability) + .098 MS(Error)						

The results presented in Table 6 indicate that institutional constraints exert a moderating effect on business revenue and performance, and consequently on inclusive economic growth, as reflected in job creation, poverty reduction, and related outcomes for women entrepreneurs ($p < 0.05$). This suggests that institutional constraints, including poor government policies, government instability, poor laws and regulations, limited access to financial opportunities, and limited access to networks and mentors, affect business revenue and performance and, in turn, constrain the capacity of women entrepreneurs in Oyo State, Nigeria to contribute to inclusive economic growth.

These findings were further corroborated by the Key Informant Interview, in which informants affirmed that:

> "Many women business entrepreneurs tend to finance their business through their own personal savings that are often saved and accumulated over time, but this tends to limit the scaling up of business performance and growth." (KII/Female/Entrepreneur)

This response tends to underscore the use of personal savings is the most used primary source of business funding among women entrepreneurs, particularly because of limited access to formal credit. This is because such limited external financing options tend to constrain scalability and also affect long-term sustainability elastically.

> "Women businesses are often smaller and are also have less capital to expand their business hence, this could constrain business ability to be able to expand and also generate the needed employment for business growth hence this could also limit the overall job creation that could affect the economy at large." *(KII/Female/Entrepreneur)*

This response tends to underscore that women owned business entrepreneurs face capital constraints that often hinder their business growth and scalability. Thus, limited access to finance sources and capitals tend to restrict women's capacity to hire additional staff, enlarge infrastructural capacity, adopt new technology, and others thus, reducing their effective contribution to employment generation and creation and also economic development of the nation.

> "Women business entrepreneurs tend to often assist in poverty alleviation and assist as source of finance for household support. However, such constraints to finance could restrict the income-generating potential that could foster poverty alleviation and household support. This could in the long run increase the propensity for increase poverty even at household level. This could negatively affect the attainment of inclusive growth, sustainable development, and poverty alleviation." *(KII/Female/Entrepreneur)*

The responses advocate that women-owned businesses tend to play germane role in household income stability and also in poverty reduction. Thus, it could be affirmed that financial limitations could reduce the ability of women entrepreneurs to be able to generate sufficient income, creating negative impact on household welfare and the broader social outcomes. This indicates that institutional constraints on access to finance exert a negative effect on women entrepreneurs, thereby undermining their potential to contribute to inclusive economic growth in Oyo State, Nigeria.

Discussion of Findings

This study examined the institutional constraints affecting women's entrepreneurial finance in Oyo State and their implications for inclusive economic growth. The study employed a correlational survey design, using a structured questionnaire to elicit information from 140 respondents, which was subjected to descriptive and inferential statistical analysis. The findings revealed that personal savings, bank loans, and microfinance are the principal sources of business finance among women entrepreneurs in Oyo State. This finding is consistent with Saleem *et al.* (2022) and the Global Entrepreneurship Monitor (2025), which similarly report that women entrepreneurs lack effective access to sources of finance for business development.

Institutional constraints, including poor laws and regulations, high interest rates, and limited access to financial opportunities, constitute major problems for women entrepreneurs in Oyo State, Nigeria, confirming that women entrepreneurs in the state face multiple institutional constraints affecting their businesses. These constraints, namely poor government policies, government instability, poor laws and regulations, limited access to financial opportunities, limited access to networks and mentors, lack of collateral, and high interest rates,

were found to affect the business revenue and performance of women entrepreneurs in Oyo State, Nigeria. This finding is consistent with Amine and Staub (2009), Nejru and Njokas (2001), Ghosh *et al*. (2017), Saleem *et al*. (2022), Afri Global (2024), and the Global Entrepreneurship Monitor (2025), all of which report that institutional constraints affect women's ability to secure the finance needed to establish, sustain, and grow businesses. This also corroborates Scott's (2001) institutional framework, which posits that female entrepreneurs are frequently confronted with significant obstacles that hamper their access to the support required to enhance business performance.

The implications of institutional constraints on access to finance and, by extension, on inclusive economic growth, captured in terms of job creation and poverty reduction for women entrepreneurs, indicate that constraints such as poor laws and regulations, high interest rates, *and* limited access to financial opportunities affect business revenue and performance, thereby limiting the capacity of women entrepreneurs in Oyo State, Nigeria to contribute to inclusive economic growth. Drawing on Adeyemi *et al*. (2021) and Kwueze (2022), who identify women's entrepreneurship as a major source of income generation and empowerment that supports family and household per capita income and reduces poverty, these adverse effects of institutional constraints on access to finance may undermine women's capacity to participate in entrepreneurship as a vital driver of economic growth in Nigeria. This may also reduce the prospects for growth in the number of women entrepreneurs, as noted by Omiunu (2014, 2019).

Conclusion

This study examined the institutional constraints affecting women's entrepreneurial finance in Oyo State and their implications for inclusive economic growth. The findings revealed that personal savings, bank loans, and microfinance are the principal sources of business finance among women entrepreneurs in Oyo State, and that institutional constraints, including poor laws and regulations, high interest rates, and limited access to financial opportunities, constitute major problems for these entrepreneurs. The findings further indicate that these institutional constraints affect business revenue and performance, thereby constraining the capacity of women entrepreneurs in Oyo State, Nigeria to contribute to inclusive economic growth, particularly with respect to job creation and poverty reduction.

Recommendations

Based on the findings of this study, the following recommendations are proposed:

i. The Nigerian government should review and simplify the regulatory framework governing business registration, particularly for women entrepreneurs. This would reduce the bureaucratic burden faced by women entrepreneurs and facilitate their access to financial services within the formal sector.

ii. Government should improve access to credit for women entrepreneurs by implementing policies that provide positive incentives for increased lending, including collateral-free loans and loan guarantees that reduce risk for lenders.
iii. A national fund should be established to provide financial support specifically to women entrepreneurs in Nigeria, driven by collaboration between the Central Bank of Nigeria (CBN), the National Planning Commission (NPC), and the Ministry of Women Affairs and Social Development.
iv. The Nigerian government should implement a nationwide Women's Entrepreneurship Training Programme, driven by the Ministry of Women Affairs and Social Development, the National Planning Commission (NPC), and agencies such as the National Business and Technical Examinations Board (NABTEB), to effectively monitor and deliver training that equips women with the skills and knowledge required to start and successfully manage businesses.
v. The federal and state governments, through the Central Bank of Nigeria (CBN) and in collaboration with commercial banks and microfinance institutions, should establish an effective loan guarantee scheme to support women-owned businesses, thereby fostering improved access to finance for women entrepreneurs in Nigeria.

The Nigerian government should establish a National Women's Economic Empowerment Council to provide an effective platform through which women business owners can share experiences and best practices that foster business performance at the local, state, and national levels in Nigeria.

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