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Socio-Cultural Barriers to Financing Women Entrepreneurs in Oyo State, Nigeria: Implication for Employment Generation and Inclusive Economic Growth

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Abstract
Persistent gender inequality has continued to foster the exclusion of women. Women are particularly at risk of social and economic exclusion because of institutional factors and systemic barriers that limit their financial participation in society. This study examines the socio-cultural barriers that affect women entrepreneurs' access to finance and their implications for employment generation and inclusive economic growth in Oyo State, Nigeria. This study was hinged on institutional theory and also employed a mixed-method approach to data collection. For the qualitative data, twelve (12) female traders were interviewed across the three markets, with a total of four (4) from each market. Using survey data sourced from one hundred and fifty (150) female traders across three (3) major markets in Ibadan, Ogbomosho, and Saki, the study identifies gender norms, limited collateral ownership, time constraints, documentation and religious constraints as key constraints to accessing formal credit. The findings reveal that these barriers significantly reduce financing outcomes, limiting enterprise performance in terms of sales growth, business asset accumulation, and employment generation. The findings further demonstrate that restricted financial access undermines household economic security, thereby fostering gender inequality and economic exclusion of women. The study concludes that socio-cultural barriers such as gender norms, patriarchal restrictions, time constraints, documentation requirements, and religious constraints significantly affect women traders' access to finance in Oyo State, Nigeria. The paper highlights the importance of policy interventions that promote equitable financial inclusion for women, as strengthening women's economic participation is critical for driving sustainable and inclusive development in Oyo State and Nigeria as a whole.

Keywords: Financing outcomes, Formal credit, Gender inequality, Inclusion, Socio-Cultural barrier

1. Introduction
Women entrepreneurs and micro-traders play a critical role in the economic activities, employment, and income in urban and peri-urban regions in Nigeria (Onyeonoru, Omolawal & Okunola, 2019). Women entrepreneurship is on a boom due to the fact that formal jobs in the sector are limited and women are almost a 50 percent minority of all small-business owners in the world today (Omolawal and Adeniyi, 2024; Quiñones, 2016). However, Nigerian women continue to be confronted with deeply-rooted socio-cultural obstacles that restrict their access to business finance and. These are the social norms which limit the ownership of assets and legal pluralism which makes the use of collaterals complicated (Aladejebi, 2020).

Conversely, financial policies in countries like the United States, the United Kingdom, Germany, Canada, Australia, India, South Africa, Kenya, and Brazil are more gender inclusive. Female access rates to formal-finance in the region are averaged 60-75, which indicates better cultural and institutional support of female entrepreneurship (Adegbite and Machethe, 2020). However, compared with many countries in Sub-Saharan Africa, access to finance has remained one of the most significant barriers women entrepreneurs in Nigeria are facing, despite the substantial contribution of women-owned enterprises to employment generation and household livelihoods. Women entrepreneurs have continued to experience more difficulties in obtaining formal credit than their male counterparts as a result of collateral requirements, limited property ownership and other gender-related constraints (African Development Bank [AfDB], 2021). In Ghana, similar challenges have been documented as women entrepreneurs also rely heavily on informal financing as a result of limited access to bank credit, despite their growing contribution to the country's economy through small and medium-sized enterprises (International Finance Corporation [IFC], 2020). In Rwanda, while gender-responsive financial inclusion policies have led to a significant improvement in women's access to financial services, financing gaps for women-owned businesses still exist (World Bank, 2024). Such comparisons indicate the gap of Nigeria, despite the prevalence of digital banking and agent networks (World Bank, 2024).

The history of Nigeria has been marked by the lack of control over the income of their family and business assets by women due to the socio-cultural norms of the country, including patriarchal culture and role assignments (Akinbami and Aransiola, 2016; Aluko, 2018). In some other nations, such as Germany and Canada, women are not restricted as much and are usually subjected to special financial literacy and support programmes, which allows them to operate businesses and employ workers efficiently (Omolawal & Adeniyi, 2024). In Nigeria, women are limited to full involvement in business management due to domestic chores and expectations of society. This restricts their participation in the recruitment, employee development, and human resource management (Dagunduro & Adenugba, 2024; Gbadamosi & Adisa, 2022) . The socio-cultural obstacles that have been persistent in Nigeria, as opposed to the enabling conditions in Australia, Kenya, and the UK, underscore the necessity to explore how these conditions limit access of women to financing and employment generation.

Funding is a significant problem to the Nigerian women entrepreneurs. They frequently face discriminatory lending, they do not have collateral, and they are not well versed in financial products (Aladejebi, 2020; Omolawal & Adeniyi, 2024). Conversely, other countries like the United States, Brazil, South Africa, India, and Germany have implemented microcredit, SME funds that target women and government-enforced loan guarantees. The programs have increased the number of women engaged in entrepreneurship (Adegbite & Machethe, 2020; Oyebamiji, 2020). In Nigeria, small start-up capital prevents growth of enterprises, creation of employment and general economic involvement of women. As an illustration, a large number of Nigerian women entrepreneurs use informal networks or personal savings to finance their business which limits scalability and influences the hiring and retention of employees (Aluko, 2018; Onyeonoru, Omolawal & Okunola, 2019). This issue is underscored by the fact that there are no organised financial support systems that can be used to finance women entrepreneurs in Nigeria and therefore research has to be conducted to understand the socio-cultural factors that inhibit the process.

The implications of the broader inclusive economic growth are enormous. The IMF (2013) notes that inclusive growth offers economic opportunities and jobs to everyone, including the marginalized groups. Female entrepreneurship leads to job creation, poverty eradication, and economic security of households, which is in line with Sustainable Development Goal 5 (Gender Equality) that aims to empower women and ensure their full economic empowerment (United Nations, 2015; UN Women, 2019). Financial inclusion and socio-cultural inequalities in Nigeria limit the role of women in the country economic performance. As an example, financial constraints lower the chances of women to grow, hire and provide fair employment opportunities, which continue unemployment and economic inequality (World Bank, 2025; UNDP, 2023). The Nigerian women entrepreneurs are restricted in ways that do not allow the economy to grow compared to countries like Canada, Germany, and Australia that have women-led enterprises that employ a larger proportion of the population.

Although there is a growing recognition on the role of women in entrepreneurship and inclusive development, the research rarely considers socio-cultural inhibition, funding issues and employment implications in Nigeria, resulting in a research gap (Adegbite and Machethe, 2020; Omolawal and Adeniyi, 2024). The urgency of the proposed research is due to the continuous gap between genders, socio-cultural constraints, and inaccessible funds that restrict the capacity of women to create jobs, alleviate household conditions, and enhance national economic development. There is a need to address these problems in order to not only enable Nigeria to achieve SDG 5 but also to enable female entrepreneurship to facilitate the provision of inclusive and sustainable economic development.

Financial inclusion (FI) plays a crucial role in the global context in the promotion of the inclusive development, opening the socioeconomic capabilities of the marginalized population, and supporting the Sustainable Development Goals, specifically SDG 5 on gender equality (UN Women, 2019; United Nations, 2015). In Nigeria, nevertheless, women have large gender disparities in accessing formal financial services: men tend to receive formal financial services more than women (Adegbite & Machethe, 2020). Informal sources of funds, such as cooperatives, microfinance institutions, or family support, are factors that make it difficult for many women entrepreneurs in Oyo state and other South-western Nigeria regions difficult to grow their businesses, employ staff, and invest in training and building a workforce (Oyebamiji, 2020; Dagunduro & Adenugba, 2024). Women are restricted in their ownership of collateral, decision-making authority, and membership of formal financial institutions by the socio-cultural practices, which are patriarchal, colonial, and based on traditional gender norms (Aluko, 2018; Falola, 2007). Although other nations have put in place gender-inclusive finance policies and have women participation rates of 60 to 75, Nigeria trails with only 47 per cent of women accessing formal financial services in comparison to 58 per cent of men (World bank, 2024). This systemic marginalization poses a risk to inclusive development, limits the ability of women to generate jobs, and undermines family and national economic stability. Available literature on women financial inclusion in Nigeria (Aluko, 2018; Adegbite and Machethe, 2020; Oyebamiji, 2020) lacks an adequate investigation of the effect of socio-cultural barriers on women entrepreneurs access to finance in Oyo State, particularly among market women. This is the gap that makes the present study justified.

In addition, socio-cultural obstacles are both physical (including property ownership and movement restrictions) and abstract (including social norms that place household chores above business development) (Aluko, 2018). Cultural norms prioritize men's ownership of land and household assets, further limiting women's ability to secure documents that demonstrate property ownership or financial credibility (UNDP, 2023). As a result, documentation requirements become indirect mechanisms through which existing gender inequalities are reproduced within formal financial systems, thereby restricting women's access to entrepreneurial finance (IFC, 2021). These obstacles have a direct impact on the financing outcomes, such as access to credit, loan guarantees, and investment in business growth and workforce development. Women entrepreneurs in Oyo State play an essential role in the local economic development, but they are not included in formal financing which suppresses the performance of enterprises, restricts the number of jobs, and undermines household economic security (Ahmed et al., 2024; Omolawal and Adeniyi, 2024). In comparison to other countries that adopt financial inclusion initiatives as the means of facilitating the empowerment of female entrepreneurs and the inclusion of women in the labor force, the case in Nigeria highlights a pressing need to conduct studies that connect socio-cultural obstacles to financing performance and inclusive development. Addressing these gaps is essential for enhancing women's entrepreneurial capacity, promoting employment relations in small businesses, and achieving national progress toward SDG 5. Based on the problem statement, the following research questions were formulated to guide this study:

i. what are the socio-cultural barriers affecting access to finance among women entrepreneurs in Oyo State, Nigeria?
ii. how do socio-cultural barriers impact or affect financing outcomes and business performance among women entrepreneurs in Oyo State, Nigeria?
iii. what strategies or recommendations can help overcome socio-cultural barriers to improve financing access and promote inclusive growth for women entrepreneurs?

This paper added to the body of knowledge through empirical evidence that socio-cultural barriers are connected with access to finance by women entrepreneurs in Oyo State. It demonstrates that institutional and socio-cultural influences are combined to produce financial results, which makes it imperative to engage both formal and informal restrictions through the use of integrated interventions. The study also enlightens the policymakers, financial institutions and civil society on feasible measures to facilitate the financial inclusion of women and inclusive economic development.

2. Literature Review

2.1 Conceptual Review

The conceptual review for this study explores the key themes related to women entrepreneurship, financing women entrepreneurs, socio-cultural barriers, and inclusive economic growth, which are central to understanding the challenges facing female-led enterprises. These concepts provide the theoretical and empirical foundation for examining how socio-cultural norms influence access to finance and the capacity of women entrepreneurs to contribute to local economic development. The review is structured under four subheadings: (i) Women Entrepreneurship, (ii) Financing Women Entrepreneurs, (iii) Socio-Cultural Barriers, and (iv) Inclusive Economic Growth.

2.1.1 Women Entrepreneurship

Women entrepreneurship refers to the act through which women initiate, arrange and operate businesses to generate revenue and employment. According to Quiñones (2016), women entrepreneurs employ their skills and resources to develop companies that lead to the growth of the economy. Ahmed, Magaji, Ahmad, and Yunusa (2024) also include that these businesses are female-owned and contribute to the creation of jobs, better family earnings, and the local economy. According to Akinbami and Aransiola (2016), women face cultural, social, and institutional challenges in order to become financially independent and able to sustain the business. These definitions reveal that women entrepreneurship is not just about profit-making but also empowerment, social development, and innovation both in the formal and informal sectors.

Women entrepreneurship is a crucial source of income and jobs in Nigeria and particularly South-western states such as Oyo as formal sector jobs are scarce (Onyeonoru, Omolawal & Okunola, 2019; Dagunduro and Adenugba, 2024). Women traders and urban and peri-urban micro entrepreneurs are important actors in the markets but they are subject to cultural requirements that put more emphasis on household activities than business development (Aladejebi, 2020). Although they have a major role in the local economies, most of their businesses are still small because they have limited access to resources and institutional support (Omolawal & Adeniyi, 2024). The need to fill this research gap arises due to the fact that little has been done on the interplay of women entrepreneurship and financing and socio-cultural limitations in Nigeria.

2.1.2 Financing Women Entrepreneurs

Women financing is the avenue through which women entrepreneurs can access loans, credit, savings and investment capital to start up, grow and sustain. According to Adegbite and Machethe (2020), it is reducing the gender disparity in access to finance to enable women to be empowered economically. According to Oyebamiji (2020), it is organised funding assistance to enable women to grow business, employ employees, and enter the economy. Omolawal and Adeniyi (2024) state that financing also relates to access to collateral, credit facilities, and institutional financial services that women usually find difficult to access due to systemic inequalities. Combining these definitions, it is clear that funding plays a significant role in getting women entrepreneurs to expand businesses, generate employment, and provide economic stability of the household.

In Nigeria, women entrepreneurs must depend on informal sources of finance including cooperatives, Ajo groups, microfinance loans, and family input (Dagunduro and Adenugba, 2024; Oyebamiji, 2020). The lack of formal banking and institutional finance restricts the ability to grow a business and influence their capacity to employ workers or invest in employee training (Aluko, 2018; Onyeonoru, Omolawal & Okunola, 2019). Conversely, other nations such as Germany, Canada, and Kenya have introduced gender-balanced financial programs that allow women in charge of businesses to expand and generate jobs (Adegbite & Machethe, 2020). The gap in this study is reflected by the fact that the current body of research on the specific influence that socio-cultural norms have on financing outcomes of women entrepreneurs in Nigeria is still lacking.

2.1.3 Socio-Cultural Barriers

Socio-cultural barriers refer to social norms, cultural beliefs, traditions and informal practices that inhibit the role of women in economic and financial practices. According to Aluko (2018), they are exclusionary practices that limit women in their opportunities and powers in making decisions. According to Akinbami and Aransiola (2016), the socio-cultural barriers are defined as the traditional gender roles and patriarchal systems that limit access of women to business resources and markets. According to Aladejebi (2020), such obstacles are property ownership restrictions, mobility, and access to formal institutions that deny women access to capital and the ability to participate in economic activities fully. These definitions depict that socio-cultural barriers are both tangible like in the form of insufficient collateral and intangible like the societal attitudes that undermine the economic contribution of women.

Socio-cultural aspects are the factors that restrict business development and the number of women entrepreneurs in Nigeria (Dagunduro & Adenugba, 2024; Omolawal and Adeniyi, 2024). Decision-making in the household is usually dictated by the patriarchal norms, and the access of women to property and access to finance is often hampered by the colonial heritage and traditional laws (Falola, 2007; Aluko, 2018). These obstacles not only influence access to credit but also the management of workforce as women entrepreneurs find it difficult to recruit, educate, and retain employees because of limited finances provided by social norms (Ahmed et al., 2024; Onyeonoru, Omolawal & Okunola, 2019). The lack of empirical studies on understanding how socio-cultural constraints affect financing and workforce performance in Nigeria indicates a gap in the research that will be addressed by the study.

2.1.4 Inclusive Economic Growth

Inclusive economic development is development whereby all members of the society are given equitable opportunities, benefits, and participation including the marginalized groups. According to IMF (2013), it is growth that generates employment, alleviates poverty, and increases access to resources by disadvantaged groups of people. Quiñones (2016) points out that inclusive growth brings women, the youth, and other vulnerable groups into the economy, which is able to contribute to innovation, production, and employment. According to the United Nations (2015), the key to the realization of SDG 5: Gender Equality, which facilitates the economic empowerment and involvement of women, is inclusive growth. Combined, these definitions demonstrate that inclusive growth is not only the process of growing the GDP but also the process of making sure there is social equity, creation of jobs, and economic participation that is sustainable.

Financial inclusion gender gap, socio-cultural constraints, and empowerment of women entrepreneurs are limiting the inclusiveness of growth of women entrepreneurs in Nigeria (World Bank, 2024; UNDP, 2023). Women SMEs are employed and provide local development, yet the inability to access finance and socio-cultural constraints decrease their

capacity to create employment and grow enterprises (Adegbite and Machethe, 2020; Ahmed et al., 2024). As an illustration, market women in South-western Nigeria use informal credit primarily, which restricts the extent of their business and the ability to hire an apprentice or employees (Dagunduro and Adenugba, 2024). The lack of studies on the relationship between socio-cultural constraints, financing women, and inclusive economic development in Nigeria identifies a gap in knowledge that this research paper can fill.

3. Theoretical Framework

3.1 Institutional Theory

This study is anchored on Institutional Theory, which was propounded by Scott (2014) and further developed by North (1990) and DiMaggio & Powell (1983). According to the theory, individuals and organisations behave in a certain manner because society approves certain norms, rules, and traditions. Behaviour, economic decisions and access to resources are influenced by formal institutions; laws and policies, and informal ones, social norms and cultural beliefs (Scott, 2014; North, 1990). Institutional Theory has been extensively applied in the entrepreneurship research to understand how regulatory frameworks, social norms and cultural expectations facilitate and/or restrict entrepreneurial activity, particularly to marginalized individuals like women (DiMaggio and Powell, 1983; Scott, 2014). The fundamental assumption of the theory is that institutions operate on the basis of three pillars, namely, regulative, normative and cultural-cognitive. The effect of each of the pillars is on economic and social behaviour, which makes the theory very much applicable in the study of the socio-cultural barriers to financing women entrepreneurs, as they are deeply rooted in the institutional structures and practices.

The regulative pillar includes formal rules, laws, policies, and organisational procedures that regulate behaviour (Scott, 2014). In Nigeria, women entrepreneurs continue to experience institutional barriers to enterprises including biased lending, strict collateral policies and poor implementation of gender-friendly policies, regardless of the legislation that has been enacted to promote gender equality in business and finance sector (OECD/GWEP, 2025). Indicatively, informal loans are being used by many women in Oyo State since most banks may insist on property ownership; this is a situation that women are often unable to fulfill due to cultural practices. This is the example of how formal institutions might be not able to convert policy into practice restricting women access to finance and their capacity to employ employees, grow operations, or invest in business development (Omolawal & Adeniyi, 2024). These financial limitations have direct influence on financing results, which is one of the variables in this work.

The normative pillar deals with the expectations, traditions, and prescriptions of roles that define behaviour in society (Scott, 2014; Aluko, 2018). Patriarchal societies in Nigeria have the primary role of caring and taking care of the household to women, with men being regarded as the primary economic providers (Akinbami & Aransiola, 2016; Dagunduro & Adenugba, 2024). These perceptions affect the lenders view of the creditworthiness and involvement of women in the networks of business and this forms a social impediment to financing. There is a limit to start up capital and expansion capital in Oyo State, as many women entrepreneurs in the region do not get the confidence of financial institutions

regarding their loan management abilities. The time and labor of women are also lessened by normative pressures of managing the workforce, hiring, and training, and socio-cultural barriers are directly connected to the performance of the enterprise and inclusive economic development.

The cultural-cognitive pillar represents the beliefs, cognitive scripts, and anticipations regarding the roles and competencies (Scott, 2014; DiMaggio and Powell, 1983). The existence of strong stereotypes regarding the economic capabilities of women affects their entrepreneurship desires and the institutional reaction to them (Akinbami and Aransiola, 2016; Aladejebi, 2020). Practically, women in Oyo State are usually not encouraged to take formal credit as a cultural presumption that they are not as able as to manage profitable businesses. These mental frameworks strengthen bias financial schemes and diminish the bargaining power of women in terms of accessing capital (Omolawal and Adeniyi, 2024; Akinbami and Aransiola, 2016). The outcome is institutionalised socio cultural barriers that restrict the financing results, business development, job creation, and general contribution to inclusive economic development.

By implication, the Institutional Theory can be applied, to gain an insight into how the regulative, normative, and cultural-cognitive pressures collectively limit women entrepreneurs in Oyo State to access finance. Institutional constraints are considered to be socio-cultural obstacles, such as patriarchal norms, family expectations, and bias institutional practices, which do not allow women to acquire capital. This, in its turn, limits the performance of the enterprise, innovation, and creation of jobs (OECD, 2025; Adegbite and Machethe, 2020). As an example, when women are unable to borrow funds, they can employ fewer apprentices or employees, which will diminish the contribution of their businesses to their local economies. The theory reveals the reason why socio-cultural barriers are not individual problems but institutional issues that influence women entrepreneurships, financing performance, and inclusive economic developments.

Specifically, the Institutional Theory can be used to analyze how the interaction of formal policies, social norms, and shared beliefs contribute to the strengthening of the impediments to financing women entrepreneurs in Oyo State, Nigeria. The theory connects the most important variables such as socio-cultural obstacles, financial performance, and inclusive economic development by demonstrating that the constraints are institutionalized. The constraints influence the performance of women in business and their role in employment and economic development in the locality. This highlights a research gap: though past studies have been conducted on the topic of financial inclusion, there is insufficient research on the application of an institutional lens to explain how socio-cultural norms specifically limit the access of women entrepreneurs to finance and thus their contribution to inclusive growth in Nigeria

4. Methodology

A descriptive design method was employed for this study, combining quantitative and qualitative approaches. The combination was appropriate because it offers triangulation of information. The study was conducted in Oyo state Nigeria, focusing on three major markets: Bodija market in Ibadan, Oyo state, New Sabo (Waso) Market in Ogbomosho and Sango

market in Saki. The markets were purposively selected due to the high concentration of women business owners and various socio-cultural dynamics. The population for the study consisted of women entrepreneurs aged 18 years and above operating in small and large businesses in the selected markets for at least one year prior to the study and who tried to access both formal and informal financing. Convenience sampling technique was used to select 150 women entrepreneurs from the three markets, fifty (50) from each market, based on their relevance, availability, willingness to participate, and ownership of an active business at the time of data collection. The distribution of 50 respondents per market ensures a proportional representation and comparability in order to avoid location bias, also allows for meaningful cross-market analysis of socio-cultural barriers to business finance.

For the quantitative data, a uniform questionnaire with open-ended questions was employed to generate the necessary information from the women entrepreneurs. It was divided into two sections. The first section was designed to gather information on the respondents' socio-demographic profiles. The other sections were designed to raise questions about other objectives of the study. The other sections were divided into sections A and B. Section A identifies socio-cultural barriers affecting access to finance among female traders and estimates their effects on financing outcomes, while Section B assesses the implications for inclusive growth, measured via enterprise performance. The quality data was achieved using 12 semi-structured in-depth interviews (IDIs) with women entrepreneurs, 4 per market. For data analysis, the quantitative data generated was coded and analyzed utilizing descriptive statistics, comprising percentage score frequency distribution, tables, and charts. Descriptive statistics was employed because of its ability to disperse the respondents according to the diverse study variable values. While the data generated from the interviews were audio-recorded**,** transcribed and analyzed using thematic analysis. Thematic analysis was used due to its capacity to gather original ideas and people's views based on facts. Ethical considerations comprising confidentiality, informed consent, and the right to withdraw from the study at any period were also adhered to during the field study.

5. Results and Discussions

Structured copies of the questionnaire were designed to determine the socio-cultural barriers that women entrepreneurs in Oyo State, Nigeria, face in accessing finance and their implications for inclusive growth. These questionnaires were distributed across three major markets in Oyo State: Ibadan, Ogbomosho, and Saki. A total of one hundred and eighty (150) copies were distributed, with fifty (50) copies allocated to each market. Out of the 150 copies of questionnaire distributed, one hundred and fifty (150) were completed appropriately and deemed viable for analysis (see Table 1).

Table 1: Respondents' Socio-demographic Characteristics

Variable	**Frequency (n)**	**Percentage (%)**
Gender		
Female	150	100.0
Age (in years)		
18–25	20	13.3

26–35	50	33.3
36–45	45	30.0
46 and above	35	23.4
Total	**150**	**100.0**
Marital status		
Married	83	53.3
Single	35	23 3
Widow/Widower	25	16.6
Divorced	7	4.6
Total	**150**	**100**
Educational level		
No formal education	10	6.7
Primary	25	16.7
Secondary	65	43.3
Tertiary	50	33.3
Total	**150**	**100.0**
Business Type		
Trading	80	53.3
Services	40	26.7
Manufacturing	30	20.0
Total	**150**	**100**
Business Registration		
Registered	70	46.7
Unregistered	80	53.3
Total	**150**	**100**
Years in Business		
Less than 2 years	30	20.0
2–5 years	65	43.3
6–10 years	35	23.3
Above 10 years	20	13.4
Total	**150**	**100**

Source: Fieldwork (2025)

Table 1 presents the socio-demographic characteristics of women entrepreneurs surveyed in Oyo State, Nigeria. Data were collected from 150 women traders across three major towns: Ibadan, Ogbomosho, and Saki. The majority of respondents were within the productive age ranges of 26–35 years (33.3%) and 36–45 years (30.0%), indicating a workforce in its prime entrepreneurial stage. Most respondents were married (60.0%), highlighting the influence of family responsibilities on business activities. While marriage can provide social support, it may also impose socio-cultural restrictions, including limited mobility and constrained decision-making power. Widowed and divorced women constituted 16.7% of respondents, reflecting the role of entrepreneurship as a survival strategy for more vulnerable groups. Regarding educational background, 43.3% had completed secondary education, 33.3% had

primary education, and 16.7% had tertiary education, indicating a moderately literate population capable of managing business operations. Only 6.7% had no formal education, which could limit their ability to access credit or navigate financial procedures, underscoring the need for targeted financial literacy programmes.

The study also found that women were predominantly engaged in trading (53.3%), followed by services (26.7%) and manufacturing (20.0%), reflecting the traditional concentration of women in less capital-intensive and informal sectors. Business registration was relatively low, with 53.3% unregistered and 46.7% registered, suggesting limited access to formal finance, government support, and growth opportunities due to informality. In terms of experience, most respondents had been in business for 2–5 years (43.3%), while only 13.4% had operated for more than 10 years, indicating challenges in sustaining enterprises over the long term. These characteristics—predominantly young to middle-aged, moderately educated, trading-focused, and highly informal—constrain access to investment, limit scalability, and impede women's contributions to inclusive economic growth. The findings emphasize the need for supportive policies and financial programs to enhance women entrepreneurs' capacity, formalization, and overall contribution to inclusive growth in Oyo State, Nigeria.

Analysis of Research Question 1: What are the socio-cultural barriers affecting access to finance among women entrepreneurs in Oyo State, Nigeria?

This section presents the analysis of Research Question 1, which explores the socio-cultural barriers affecting access to finance among women entrepreneurs in Oyo State, Nigeria. The study sought to identify the key social and cultural factors that limit women's ability to obtain business finances by collecting survey responses and conducting qualitative interviews. Respondents highlighted several obstacles, reflecting both societal norms and institutional practices, which provide insight into how these barriers influence women entrepreneurs' access to capital and their overall business performance (see Table 2).

Table 2: Socio-cultural barriers to assessing finance

Socio-cultural barrier	Frequency	Affected respondents (%)
Gender norms/collateral constraints	60	40.0%
Spousal and kinship authority(Patriarchal restrictions)	40	26.7%
Time constraints (Child care, family obligations, marital obligations, religious and social obligations)	22	14.7%
Documentation issues (NIN, Valid ID, property titles, BVN)	18	12.0%
Constraints based on religion	10	6.6%

Source: Fieldwork (2025)

The results of the analyses of the responses showed that majority (40.0%) of the respondents faced Gender norms/collateral constraints, followed by 26.7% who said their major barrier

stems from Spousal and kinship authority (patriarchal/family restrictions), while 14.7% said they faced the barrier of time constraints due to child care, family and marital obligations. Also, 12.0% of the respondents identified Documentation issues such as NIN, Valid ID, BVN as a barrier to their business financing while 6.6% said they encounter challenges due to religious constraints as some religious sects do not support interest loans. These findings are consistent with findings in Fapohunda (2020) which showed that women entrepreneurs in Nigeria often face systemic cultural exclusion in form of socio-cultural barriers that restricts their access to finances. Hence, the dominance of gendered inherited/ collateral barriers further highlight the customary inheritance norms and practices which often favours the male over women in the society. This position is further strengthened by responses from the qualitative interviews. According to a 41-year-old respondent from New Sabo market, Ogbomosho:

> *"Even if I want to borrow money from the bank, I don't have any property to use as collateral because I'm living in my husband's house, I don't have any landed property to my name"*

Similarly, a 35-year-old woman from Sango market in Saki noted:

> *"It is almost impossible to get loan from the bank because of their requirements that ordinary people don't have. They ask you to bring collateral, you queue to get everything, leave your business to spend one full day at NIN office or even at the bank. The stress is too much"*

This is further in alignment with findings in Oyebamiji (2020) and Aladejebi (2020) which indicated that women traders often face financial exclusion as a result of gendered inheritance practices which also highlights the exclusion of women from formal credit opportunities. Also, the high percentage respondents who claimed that the barrier of Time constraints due to child care, family and marital obligations is their major challenge in terms of access to finances is supported by findings in Dagunduro, Adenugba & Omolawal (2024) which showed that women are not easily separated from their assumed traditional role of caretaker and home makers and not providers. Hence, this gendered stereotype that women are to be provided for reflects in the socio-cultural barriers often encountered by women entrepreneurs in Oyo state.

Analysis of Research Question 2: How do socio-cultural barriers impact or affect financing outcomes and business performance among women entrepreneurs in Oyo State, Nigeria?

This section examines the effects of socio-cultural barriers on women entrepreneurs' access to formal finance and their overall business performance. The study compared women facing high socio-cultural barriers with those experiencing low socio-cultural barriers**,** measuring differences in loan access, loan amount, interest rates, and reliance on informal finance. The findings provide insight into how socio-cultural constraints shape financing outcomes and

the subsequent implications for enterprise growth and inclusive economic development (see Tables 3 and 4 respectively).

Table 3: Financing Outcomes by Level of Socio-Cultural Barrier

Socio-Cultural Barrier Level	Formal Loan Access (%)	Average Loan Amount (₦)	Average Interest Rate (%)	Reliance on Informal Finance (%)
Low SCBI (n=59)	59.3	300,000	20	47
High SCBI (n=91)	37.4	100,000	27	74

Source: Fieldwork (2025)

Table 3 results indicate that women with low socio-cultural barriers (Low SCBI) tend to get formal loans (59.3 percent of them) than women with high barriers (High SCBI) who only get formal loans (37.4 percent of the time). Their average loan is also significantly different as low-barrier women are given 300,000 on average and high-barrier women are given only 100,000. Moreover, 74 per cent of women with High SCBI use informal finance as opposed to 47 per cent of their Low SCBI counterparts. These results supported the claim by Adeniyan and Adebowale (2024) and Oyebamiji (2020) that socio-cultural limitations significantly decrease access to formal credit, forcing women entrepreneurs to resort to smaller and informal loans that may impose a limitation on access to capital to grow the business and expand its operations.

Table 4: Implications for Inclusive Growth

Outcome Indicator	Formal Finance Users	Informal Finance Users
Annual Sales Growth (%)	29	7
Acquired Business Assets	High (deep freezers, POS, solar, etc.)	Low (basic assets only)
Average Workers/Apprentices	3	1
Ability to Cover Household Expenses (%)	61	39

Source: Fieldwork (2025)

Table 4 highlights the broader impact of socio-cultural impediments on inclusive economic development. Women with access to formal finance record an annual growth of sales of 29, as compared to 7% of those who depend on informal sources only. Formal-finance users can

also purchase durable goods like deep freezers, POS machines, and solar devices but the informal users can only afford basic goods. There are also better employment results; users of formal-finance have an average of three workers or apprentices than one in informal-only cases. Lastly, 61% of women with formal finance say they are able to meet the household spending needs such as school fees, feeding and medical crises, compared to only 39% of informal-only users. These findings resonate with the works of Ahmed et al. (2024) who indicated that socio-cultural barriers do not only limit access to finance but also limit business performance, job creation and household economic security, hence the need to develop interventions that minimize these barriers and encourage inclusive growth.

Responses from the qualitative interviews supported the patterns observed in the quantitative data, providing deeper insights into the experiences of women entrepreneurs. Participants highlighted personal and societal challenges that reinforced the impact of socio-cultural barriers on access to finance and business performance. According to a 34-year-old trader in Bodija, Ibadan:

> *"I wanted to open another shop last year but I didn't have access to loan facility at the bank because I was owing two cooperative societies where I was paying back heavy amount every month. The little money I had left went into school fees and feeding. Banks will assess your credit worth before they give you loan"*

The results of this research highlight the systematic constrainers of the available finance opportunities to women entrepreneurs in Oyo State, Nigeria through the socio-cultural barriers. The culture of women gaining formal financial products like bank loans is not only based on the nature of the loan but also on the loan terms that come with it like collateral, documentation like BVN, ID, and property titles. The research found out that women with high socio-cultural barriers have less access to formal loans and reduced loan amounts which consequently limit their business development, employment opportunities and household well-being. Most women are compelled to have to depend on informal financial systems such as *Ajo* (rotating savings) and cooperative societies. Although these institutions are strong, they offer relatively small sizes of loans that are hard to use in expansion of businesses (Oyebamiji, 2020; Adeniyan and Adebowale, 2024). These results highlight institutional and socio-cultural discrimination to which women entrepreneurs have to maneuver to acquire finance, which proves that deeply rooted obstacles still exist.

The findings are consistent with previous research studies that have pointed out the same predicament of women entrepreneurs in Southwest Nigeria. According to Ahmed et al. (2024), women have limited access to business capital due to socio-cultural expectations and family demands, which restrict their ability to invest in assets, hire labor, and realize the growth of their business. Adegbite and Machethe (2020) stated that gendered financial barriers of inclusion are prevalent, particularly in informal sectors, leading women to rely on small-scale financing that is incapable of generating growth or innovation. The use of informal finance reported in the study is in line with Akinbami and Aransiola (2016) who found that cultural practices and patriarchy are the main limitations that limit the entrepreneurial opportunities of women. These obstacles do not only impact on the lives of

individual entrepreneurs, but also on the wider objectives of Nigeria in terms of inclusive economic growth.

In addition, the results of the study are reminiscent of previous studies of structural gaps in the financial inclusion agenda in Nigeria. Women's access to formal finance is still hampered by documentation requirements and regulatory barriers, which can be seen as an extension of the findings of Aluko (2018) and Oyebamiji (2020) regarding the presence of systemic exclusion as an inhibitor of economic empowerment of women. The research is also in line with Dagunduro and Adenugba (2024), who discovered that women in the informal markets of Ibadan have to face socio-cultural limitations every day to maintain a household income and business activities. Comprehensively, the results validate that socio-cultural impediments significantly minimize the formal financial access, the performance of enterprises and the contribution of women to both household and national economic development and as such, there is an acute need to implement interventions that overcome these systemic and institutional constraints.

Analysis of Research Question 3: What strategies can help overcome socio-cultural barriers to improve financing access and promote inclusive growth for women entrepreneurs?

This section explores strategies and recommendations derived from qualitative interviews with women entrepreneurs and key stakeholders in Oyo State, Nigeria, to address socio-cultural barriers that hinder access to finance. Respondents identified practical measures to improve formal financial inclusion, strengthen enterprise performance, and enhance household and community economic growth. The interviews highlighted six key themes, including gender-sensitive financial policies, financial literacy and capacity building, awareness and advocacy, women-focused financial institutions, mentorship and networking, and policy monitoring. These recommendations reflect participants' lived experiences and challenges and also provided actionable insights for policy and institutional reforms (see Table 5).

Table 5: Strategies and Recommendations to Overcome Socio-Cultural Barriers

Theme / Recommendation	Action Steps	Responsible Stakeholders	Expected Outcomes
Gender-sensitive financial policies	Revise loan criteria to reduce collateral restrictions; enforce gender-inclusive lending policies	Central Bank of Nigeria (CBN), Commercial Banks, Microfinance Institutions	Increased access to formal loans; reduced gender gaps in financing
Financial literacy and capacity building	Organise workshops on loan application processes, bookkeeping, and business planning	NGOs, SME Development Agencies, Local Government	Enhanced loan application success; improved business management skills
Awareness and advocacy campaigns	Conduct campaigns to challenge restrictive gender norms and	Women's associations, Media,	Shift in societal attitudes; reduced

	promote women's economic roles	Civil Society Organisations	cultural and familial constraints on finance
Strengthening women-focused financial institutions	Expand credit access through microfinance banks, cooperatives, and women-targeted funds	Microfinance Banks, Women's Cooperatives	Higher loan uptake; increased capacity to scale businesses
Mentorship and networking programs	Connect women entrepreneurs with mentors and peer networks for guidance	Trade Associations, Chamber of Commerce, NGOs	Knowledge sharing; improved confidence and negotiation power in accessing finance
Policy monitoring and evaluation	Track gender-inclusive finance initiatives; evaluate progress annually	Government Agencies, NGOs, Research Institutions	Improved implementation; identification of gaps and corrective actions

Source: Fieldwork (Interview Data), 2025

The findings display that the interview participants with the same consistency suggested that gender-sensitive financial policy should be the necessary element to overcome the socio-cultural barriers. Women pointed out that limiting lending requirements, collateral requirements, and non-enforcement of inclusive policies made them unable to take formal loans, purchase assets, and expand their enterprises. Through corrected lending habits and the implementation of gender-inclusive policies, the institutions can substantially boost access to higher loan amounts, enterprise performance, and household well-being.

The second theme is about capacity building, financial literacy and advocacy. The participants have highlighted the importance of training workshops to enhance the way business is planned, kept, and comprehended the way loans are done. It was also recommended that advocacy campaigns and awareness programs should be countered to patriarchal norms and expectations that limit women in their economic involvement. The findings are in line with Ahmed et al. (2024) and Akinbami and Aransiola (2016) who concluded that providing women with skills and spreading awareness is reducing reliance on informal finance, making decisions stronger, and being confident in taking business opportunities.

Institutional strengthening and monitoring are also key strategies that are discussed in the third theme. Interviewees suggested that women-oriented financial institutions should be scaled up, mentorship networks should be created, and gender-inclusive policy implementation should be checked on a regular basis. They would allow access to formal finance, boost enterprise development, and raise employment and household economic security (Oyebamiji, 2020; Dagunduro and Adenugba, 2024). In general, the results of the interview indicate that policy reform, capacity building, advocacy, mentorship, and institutional monitoring should be coordinated to address socio-cultural barriers and inclusive economic growth among women entrepreneurs in Oyo State.

6. Conclusion and Recommendations

6.1 Conclusion

The paper concludes that socio-cultural factors such as gender norms, patriarchal constraints, time, and documentation, and religious constraints are important limitations to accessing finance by women entrepreneurs in Oyo State, Nigeria. The results indicated that women who had less socio-cultural barriers had a higher probability of accessing formal loans, had a higher loan, and had a better business performance than their counterparts who had high socio-cultural barriers. High barrier ones had to depend on informal funding sources, including ajo and cooperative contributions, which are smaller and restrict their ability to expand their businesses and become innovative. Such disparities in access to finance did not only hold back the growth of enterprises, but they also restricted the inclusive economic performance, such as the creation of jobs, purchase of business assets, and household economic security. In addition to this, the paper supports the Institutional Theory, demonstrating that formal institutional structures, including banking regulations and collateral requirements, and the informal norms, including spousal authority and societal expectations, combine to influence financial results. The financial exclusion of women is not solely an issue of personal failure but is also an issue of systemic institutional and socio-cultural influences which undercut entrepreneurial agency. The location of access to finance by women in this wider institutional framework highlights the study as being based on the idea that to have an inclusive growth in the economy, then integrated reforms as to regulatory, normative and cultural limitations must be undertaken simultaneously.

6.2 Recommendations

According to the research results, the implementation of flexible loan schemes is recommended, taking into account socio-cultural constraints such as documentation challenges, collateral access, and time limitations. The financial institutions are required to come up with gender sensitive lending products which will ease the entry of women into formal credit and give the women entrepreneurs more ability to expand their business. Besides this, awareness campaigns and education at community level is required to confront the patriarchal rules and limiting gender norms that deprive women of their financial freedom, foster positive social orientations, and increase the economic involvement of women. There should also be policy interventions on how the institutional structures can be strengthened to achieve equality of access to finance, minimize systemic discrimination, and create monitoring structures to follow the progress. The government agencies, civil society organisations, and financial institutions should work together to come up with inclusive finance policies that combine the formal regulatory changes with the normative and cultural changes. These policies are in line with the Sustainable Development Goals (SDGs) 5 (Gender Equality), 8 (Decent Work and Economic Growth), and 10 (Reduced Inequalities), and will be used to facilitate inclusive economic growth and empowerment of women entrepreneurs in Nigeria.

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