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REVIEW ARTICLE

FINANCING WOMEN ENTREPRENEURS: TOOLS FOR INCLUSIVE ECONOMIC GROWTH IN NIGERIA

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ABSTRACT

Women entrepreneurs play a vital role in fostering inclusive economic growth in Nigeria, yet they continue to face significant financial and institutional barriers that limit their full potential. This paper explores the importance of financing women-led enterprises as a strategic approach to achieving equitable economic development. Access to finance remains a major constraint for Nigerian women, particularly those operating in the informal sector or rural areas, due to systemic challenges such as gender bias, lack of collateral, and limited financial literacy. By addressing these constraints through targeted financial instruments such as microfinance, government grants, venture capital, and digital financial services women can become active participants in transforming the national economy. The paper also discusses the role of public-private partnerships, inclusive banking policies, and financial technology in improving accessibility to credit and entrepreneurial support for women. Empowering women with the right financial tools not only reduces poverty and unemployment but also promotes innovation, social inclusion, and community development. Furthermore, investing in women entrepreneurs leads to more resilient and sustainable economies, as women tend to reinvest profits in education, health, and family well-being. This study highlights the need for a gender-responsive financial ecosystem to drive Nigeria's inclusive growth agenda and maximize the untapped potential of women entrepreneurs.

KEYWORDS

Women Entrepreneurs, Financing, Inclusive, Economic Growth, Financial Tools

1. INTRODUCTION

1.1 Overview of Women Entrepreneurship in Nigeria

In recent years, women entrepreneurship in Nigeria has gained increasing attention as a critical component of inclusive economic development. Nigerian women, who account for approximately 41% of the country's micro-business ownership, are actively participating across various sectors including agriculture, retail, fashion, and services. However, despite their growing involvement, these entrepreneurs often operate within informal or subsistence-based models due to systemic limitations in accessing startup capital and institutional support (Akanbi and Oladipo, 2022). Their participation is frequently undermined by deeply entrenched socio-cultural norms, inadequate financial education, and regulatory bottlenecks. The dominance of informal lending systems and restrictive bank requirements continue to disproportionately affect women's entrepreneurial capabilities.

Moreover, gender-specific challenges persist in the financial landscape, leading to pronounced disparities in credit accessibility and investment inflows. While male-owned enterprises often enjoy better funding channels, women entrepreneurs typically face skepticism from traditional lenders, resulting in their overreliance on personal savings or informal networks. This pattern limits scalability, technological innovation, and long-term sustainability (Efi and Obiora, 2021). For instance, women-owned agribusiness ventures in rural Nigeria often lack the collateral demanded by commercial banks, forcing them into stagnation. Thus, understanding the landscape of women entrepreneurship in Nigeria is vital to contextualizing the financial tools needed to unlock their economic potential and foster inclusive national growth.

1.2 Significance of Inclusive Economic Growth

Inclusive economic growth is a fundamental pillar for sustainable development in Nigeria, particularly when addressing the persistent gender and income inequalities that characterize the nation's economic landscape. Unlike general economic expansion, inclusive growth ensures that the benefits of development are equitably shared among all population groups, including marginalized women entrepreneurs. As argue, inclusive growth not only raises aggregate income but also promotes access to opportunities such as education, health services, and financial resources essential inputs for empowering underrepresented entrepreneurs (Adeleye and Eboagu, 2019). In Nigeria, where poverty and structural imbalances are geographically and gender-biased, the intentional financing of women-led enterprises becomes a strategic mechanism to drive inclusiveness.

Empowering women entrepreneurs through access to financial tools is a catalytic intervention that aligns with the goals of inclusive growth by fostering employment, innovation, and household stability. They demonstrate that women-owned businesses tend to reinvest earnings in social development outcomes such as education and healthcare, multiplying the socio-economic impact of growth (Ogunrinola and Alege, 2021). For instance, increased financial support to women in northern Nigeria has been linked to reduced gender disparities in education enrollment and health-seeking behavior. Thus, financing women entrepreneurs is a strategic vehicle for achieving equitable and participatory economic advancement in Nigeria.

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1.3 Rationale for Focusing on Women's Access to Finance

Women's access to finance is not merely a gender-equity issue it is a critical lever for unlocking Nigeria's full economic potential. Women entrepreneurs are disproportionately affected by systemic credit constraints that limit their ability to scale and sustain enterprises. It found that Nigerian women face a higher probability of loan rejection and are less likely to apply for formal financing due to perceived discrimination, low collateral ownership, and restrictive lending conditions (Ajibola and Akinboade, 2022). These challenges stifle innovation and prevent the transformation of micro-enterprises into medium or large-scale ventures. In a context where women account for a significant proportion of informal sector activity, bridging the gender financing gap becomes essential for improving national productivity and resilience (Okoh, 2025).

Access to finance also enhances women's capacity to diversify into high-growth sectors beyond the traditional areas of food vending or tailoring. As emphasizes, targeted financial inclusion policies, when combined with financial literacy interventions, significantly increase the performance and survival rates of female-owned enterprises (Osei-Assibey, 2020). For example, fintech innovations and mobile banking platforms in Nigeria are proving instrumental in bypassing traditional barriers by delivering credit and savings tools directly to underserved women. Prioritizing access to finance for women is therefore indispensable to achieving long-term inclusive economic growth (Okoh and Omachi., 2025)

1.4 Objective and Scope of the Study

The primary objective of this study is to examine the relationship between access to finance and the growth of women entrepreneurship as a driver of inclusive economic development in Nigeria. It seeks to identify the key financial tools that can be leveraged to empower women entrepreneurs and assess how their increased participation in economic activities contributes to poverty reduction, job creation, and sustainable development. The study also aims to highlight the structural and institutional barriers limiting women's access to finance and to propose strategic interventions that promote gender-inclusive financial systems.

The scope of the study Is focused on women entrepreneurs operating across both formal and informal sectors in Nigeria, with particular emphasis on small and medium-scale enterprises. It evaluates financial mechanisms such as microcredit, digital financial services, venture capital, and public funding as tools for enhancing women's economic inclusion. The analysis covers regional and socio-cultural variations that affect financial accessibility for women, particularly in rural and marginalized communities. Furthermore, the study considers the role of government policies, financial institutions, and technological innovations in bridging the gender financing gap and promoting a more inclusive economic framework in Nigeria.

1.5 Structure of the Paper

This paper is organized into seven chapters, each addressing a critical dimension of the study on financing women entrepreneurs as a tool for inclusive economic growth in Nigeria. Chapter One introduces the study by presenting the background, problem statement, research questions, objectives, significance, scope, and structure of the paper. Chapter Two offers an extensive review of literature, including key concepts, theoretical perspectives, and empirical findings relevant to women's access to finance. Chapter Three discusses the major barriers impeding women's financial inclusion, such as gender bias, lack of collateral, and low levels of financial literacy. Chapter Four focuses on innovative financial tools and technologies such as mobile banking, fintech solutions, and blockchain that are transforming women's access to credit. Chapter Five analyzes the institutional and policy responses, including government programs, public-private partnerships, and central bank interventions that support financial inclusion. Chapter Six evaluates the socio-economic impacts of financing women entrepreneurs, particularly in relation to poverty reduction, job creation, education, health, and social empowerment. Chapter Seven concludes the study with a summary of key findings, strategic policy recommendations, and proposed directions for future research and implementation.

2. Barriers to Financing Women Entrepreneurs

2.1 Gender Bias and Discriminatory Lending Practices

Gender bias in financial institutions remains a significant impediment to women's entrepreneurial advancement in Nigeria. Despite their proven capacity for loan repayment and enterprise management, women are often perceived by lenders as higher-risk clients. They highlight that many financial institutions apply gendered risk assessments, systematically disadvantaging women through higher collateral demands, shorter repayment tenures, and unfavorable interest rates (Morsy and Youssef, 2017). This bias is reinforced by cultural perceptions that question women's authority in financial management, particularly in male-dominated sectors such as manufacturing or agribusiness. Consequently, women are frequently channeled toward low-capital, low-growth sectors where profit margins are minimal and sustainability is challenging (Okoh, 2025).

Discriminatory lending practices are not always overt but manifest in subtle exclusionary mechanisms such as informal networking norms or the prioritization of male guarantors. Found that even in liberalized economies, women entrepreneurs tend to receive smaller loans than their male counterparts, despite similar credit profiles (Muravyev, et al., 2009). In Nigeria, this reality discourages many women from seeking formal credit, reinforcing dependence on informal lenders who offer exploitative terms. Addressing gender bias in credit markets requires a deliberate restructuring of institutional practices to ensure equitable financial evaluation and access for all entrepreneurs, regardless of gender.

2.2 Lack of Collateral and Credit History

One of the most critical challenges facing women entrepreneurs in Nigeria is the lack of collateral and formal credit history, which significantly impedes their ability to access institutional financing. Traditional banking systems in Nigeria continue to rely heavily on asset-based lending models that favor individuals with land titles, business registrations, and formal credit documentation resources that women disproportionately lack. As represented in table 1 found that women in sub-Saharan Africa are less likely than men to own property or formal business assets, which diminishes their creditworthiness in the eyes of lenders (Aterido, et al., 2013). This systemic limitation marginalizes women to the informal sector, where growth is constrained, and economic vulnerability is heightened (Okoh and Omachi, 2025)

In addition to asset limitations, women often operate in cash-based and undocumented economies, making it difficult for financial institutions to assess their repayment capacity. Explain that this lack of transactional history creates a cyclical barrier: without access to finance, women cannot grow formal enterprises, and without formal enterprises, they cannot build the credit histories necessary to secure finance (Klapper and Parker, 2011). For example, a woman running a successful tailoring business in Ibadan may still be denied a bank loan because she lacks land or registered assets. Bridging this gap requires innovative credit-scoring systems that account for informal economic behaviors.

Table 1: Summary of Lack of Collateral and Credit History

Issue	Explanation	Impact on Women Entrepreneurs	Potential Solutions
Lack of Collateral	Women often lack ownership of titled assets such as land or property	Prevents access to traditional loans that require asset-based guarantees	Promote movable collateral systems and group lending mechanisms
Poor or No Credit History	Many women operate informally with no formal transaction records	Limits eligibility for credit from formal financial institutions	Use alternative credit scoring via fintech platforms
Gender-Based Asset Ownership Gap	Cultural norms and inheritance laws often favor male ownership	Excludes women from meeting collateral requirements	Implement legal reforms to promote equal asset ownership
Informality of Enterprises	Majority of women-led businesses are not registered or tax compliant	Makes it difficult to access formal finance and build credit histories	Simplify business registration and link micro-enterprises to formal systems

2.3 Financial Literacy and Awareness Challenges

Limited financial literacy and awareness among women entrepreneurs remain significant obstacles to effective participation in Nigeria's formal financial ecosystem. Many women, particularly those in rural or underserved areas, lack the knowledge necessary to navigate complex financial products or services. As presented in figure 1 note that financial illiteracy hinders individuals from understanding interest rates, repayment structures, and investment principles, which reduces their capacity to make informed financial decisions (Grohmann, et al., 2018). In Nigeria, this challenge disproportionately affects women who are often excluded from formal education or economic training, reinforcing cycles of dependency on informal financial sources such as thrift collectors and rotating savings groups (Okoh and Omachi, 2025)

Moreover, even when financial products are available, many women are unaware of their existence or unable to interpret terms and conditions critically. Emphasize that financial awareness is not merely about access to information, but about the ability to apply that knowledge in managing debt, saving, and investing (Lusardi and Mitchell, 2014). For example, a woman running a poultry business in Kaduna may avoid approaching a microfinance institution due to misconceptions about loan penalties or repayment risks. Addressing these literacy gaps through targeted education and outreach programs is vital to improving women's financial inclusion and entrepreneurial sustainability in Nigeria.

Figure 1 illustrates key Financial Literacy Indicators, highlighting the multifaceted nature of financial literacy and its direct relevance to the challenges of financial literacy and awareness among women entrepreneurs. At the core lies "Financial Literacy Indicators," surrounded by critical elements such as Financial Awareness, Knowledge and Skills, Attitude Towards Finance and Money, Behaviour, Risk Management, Culture, E-Finance Use, and Financial Culture. These interconnected dimensions reflect the complexity of financial decision-making. Many women entrepreneurs in Nigeria lack foundational understanding across several of these indicators especially financial awareness, risk management, and digital finance use limiting their ability to access or utilize financial services effectively. Without adequate knowledge and confidence in financial matters, they are less likely to engage with formal banking, participate in investment opportunities, or adopt digital platforms like mobile banking or fintech solutions. These gaps perpetuate exclusion from formal credit systems and reduce business sustainability. Therefore, improving financial literacy is not only about teaching numerical skills but addressing behavioral attitudes, digital readiness, and contextual financial culture all of which are essential for empowering women economically.

Figure 1: Picture of Key Components of Financial Literacy Shaping Women's Economic Empowerment (Grohmann, Klüh, and Menkhoff, 2018)

3. Financial Instruments for Empowering Women

3.1 Role of Microfinance and Cooperative Societies

Microfinance institutions (MFIs) and cooperative societies have emerged as critical financial lifelines for women entrepreneurs in Nigeria, especially in rural and low-income areas. These institutions provide flexible and low-threshold access to credit, which traditional banks often deny due to stringent collateral requirements. As represented table 2 assert that microfinance enables economic participation by mitigating financial exclusion and empowering marginalized groups through tailored loan structures, group lending models, and capacity-building programs (Armendáriz and Morduch, 2010). In Nigeria, such models have enabled women to finance agribusiness, food processing, textile production, and other small-scale ventures without formal credit histories or fixed assets.

Beyond credit provision, cooperative societies foster social capital, peer accountability, and community-based financial education. It illustrates how organizations like Lift Above Poverty Organization (LAPO) have successfully combined microloans with enterprise training, enabling women not only to sustain businesses but also to expand their operations and improve household welfare (Olomola, 2013). These collective financial frameworks build trust and resilience, especially for women who may lack financial literacy or institutional support. For example, market women in Osun State frequently use rotating savings cooperatives to pool capital for bulk purchasing, thereby increasing profitability and reducing vulnerability to middlemen. These grassroots financing models are indispensable in bridging gender finance gaps and supporting inclusive economic growth (Agama and Okoh, 2025).

Table 2: Summary of Role of Microfinance and Cooperative Societies

Support Mechanism	Description	Benefits to Women Entrepreneurs	Challenges
Microfinance Institutions (MFIs)	Provide small loans without traditional collateral requirements	Enhances access to credit for low-income and informal women entrepreneurs	High interest rates and limited loan sizes
Cooperative Societies	Member-based savings and lending groups built on mutual trust	Encourages savings culture and provides flexible, low-interest credit	Limited capital base and potential governance issues
Group Lending Models	Peer groups jointly guarantee each other's loans	Reduces default risk and promotes accountability among women borrowers	Risk of group default if one member fails to repay
Financial Literacy and Training	Offered alongside microcredit by many MFIs and cooperatives	Empowers women with business and financial management skills	Often limited in scope and not tailored to diverse entrepreneurial needs

3.2 Government Grants and Intervention Funds

Government grants and intervention funds play a crucial role in expanding the financial inclusion of women entrepreneurs in Nigeria by offering non-repayable and low-interest funding support to stimulate enterprise growth. These instruments are especially important for early-stage women-owned businesses that are often overlooked by commercial banks. As presented in figure 2 explains that schemes like the Women Entrepreneur Fund, the Government Enterprise and Empowerment Programme (GEEP), and the Youth Enterprise with Innovation in Nigeria (YouWiN!) have targeted female entrepreneurs with training, startup capital, and mentorship. These initiatives provide more than financial resources they also serve as platforms for capacity development and formal sector integration (Afolabi, 2015).

Despite their potential, the effectiveness of these interventions is often hindered by bureaucratic delays, corruption, and limited rural outreach. It emphasize the importance of aligning grant disbursements with robust monitoring systems and transparency mechanisms to ensure equitable access (Abor and Quarte, 2010). For example, while women in urban centers may access programs through online portals or local agencies, rural women may be unaware of the opportunities or unable to complete the application processes due to digital illiteracy. Strengthening awareness campaigns and simplifying administrative procedures can amplify the impact of government funds and ensure that they reach the women who need them most.

Figure 2 represents a visual depiction of government grants a direct financial support mechanism often used by governments to stimulate economic participation and support vulnerable populations, including women entrepreneurs. In the context of Government Grants and Intervention Funds, such support plays a vital role in addressing structural financial exclusion in Nigeria. These funds provide startup capital, business expansion support, and operational cushioning without the burden of repayment, making them especially valuable to women who may lack access to collateral or credit history. By delivering financial resources directly, these interventions help women build sustainable businesses, improve household welfare, and contribute to broader economic growth. However, for such programs to be effective, they must be transparent, equitably distributed, and supported by financial literacy initiatives to ensure beneficiaries can effectively utilize the grants for long-term impact.

Figure 2: Picture of Empowering Entrepreneurs Through Government Grants and Financial Support (Afolabi, 2015)

3.3 Venture Capital and Angel Investment Access

Access to venture capital (VC) and angel investment remains a formidable challenge for women entrepreneurs in Nigeria, primarily due to gendered funding dynamics and the underrepresentation of women in investor networks. They argue that women-led startups are systematically underfunded, receiving disproportionately less VC backing compared to their male counterparts, even when controlling for business model and sector (Brush et al., 2018). In the Nigerian context, this disparity is more pronounced due to limited exposure of women to high-growth investment ecosystems such as fintech and agritech. Many women-owned enterprises are also undercapitalized and lack the pitch training or legal frameworks to meet investor expectations, thus excluding them from formal deal flows (Omachi and Okoh, 2025).

Angel investors, while typically more flexible than institutional VCs, also exhibit implicit bias in funding decisions. They highlight that although angel capital can fill early-stage financing gaps, the networks through which these deals are brokered often exclude women (Hellmann and Thiele, 2015). In Nigeria, initiatives such as She Leads Africa and the Lagos Angel Network are attempting to bridge this divide, but scale and reach remain limited. For instance, while some urban-based female tech founders have secured seed capital, many women in traditional sectors like textiles or food processing remain invisible to investors. This gap limits scalable enterprise development and hinders inclusive economic transformation.

4. Role of Technology and Innovation in Financing

4.1 Digital Financial Services and Mobile Banking

Digital financial services and mobile banking have become pivotal tools in transforming access to finance for women entrepreneurs in Nigeria, particularly those in underserved or rural communities. It report that digital platforms significantly reduce the traditional barriers to financial inclusion such as geographic distance, bureaucratic documentation, and high transaction costs by allowing users to open accounts, transfer funds, and apply for loans through mobile devices (Demirgüç-Kunt et al., 2018). For Nigerian women who often lack formal financial documentation or collateral, services like USSD banking, mobile wallets (e.g., Paga and Opay), and agency banking models are helping to bridge gendered access gaps. These digital channels not only increase convenience but also enhance transparency, build transactional histories, and integrate women into formal financial ecosystems. Explains that digital finance contributes to financial stability by expanding the reach of regulated financial institutions to low-income segments (Ozili, 2018). In Nigeria, women market traders and small-scale processors have begun to adopt mobile banking for savings and credit operations, often bypassing the exclusionary practices of traditional banks. For example, mobile-enabled microcredit through platforms such as Aella Credit allows women to access capital without stepping into a physical bank branch, promoting enterprise growth and economic resilience.

4.2 Fintech Solutions Targeting Women Entrepreneurs

Fintech innovations are revolutionizing access to finance for women entrepreneurs in Nigeria by offering customized, tech-driven solutions that address gender-specific barriers in credit, savings, and insurance. Unlike conventional banking, fintech firms employ alternative data such as mobile phone usage, transaction patterns, and e-commerce behavior to assess creditworthiness, enabling women without formal financial histories to access credit. As presented in figure 3 emphasize that the combination of mobile technology and social networks allows for trust-based lending frameworks, particularly important in patriarchal environments where institutional trust is limited (Bongomin et al., 2018). Fintech companies such as Lydia, Carbon, and Paylater are increasingly offering short-term loans and digital savings tools tailored for women-led microenterprises.

It notes that fintech ecosystems are particularly transformative in low-income and underserved regions, where formal infrastructure is weak but mobile penetration is high (Ghosh, 2021). In Nigeria, women in informal trade sectors use fintech apps to receive customer payments, build credit profiles, and access health insurance services traditionally out of reach. For instance, HerVest, a female-focused fintech platform, provides agricultural finance and investment tools specifically designed for rural women farmers. These tailored technologies reduce gender disparities in financial access while simultaneously enabling women entrepreneurs to formalize and scale their businesses within the digital economy.

Figure 3 showcases the use of online banking via a mobile application an example of fintech innovation that is transforming financial access for women entrepreneurs. In the context of Fintech Solutions Targeting Women Entrepreneurs, digital financial services like mobile banking, digital wallets, and peer-to-peer lending platforms provide convenient, affordable, and inclusive tools for managing finances, accessing credit, and growing businesses. These solutions eliminate traditional barriers such as physical distance to banks, lack of collateral, and limited financial history. For women, especially those in rural or informal sectors, fintech offers an opportunity to participate in the digital economy, manage savings, receive payments, and apply for microloans all through their smartphones. By

tailoring interfaces to be user-friendly and developing products aligned with women's financial behaviors and needs, fintech empowers women to take control of their economic futures and scale their enterprises with minimal friction.

Figure 3: Picture of Fintech Empowerment: Expanding Financial Access for Women Entrepreneurs (Bongomin et al., 2018)

4.3 Blockchain and AI in Credit Access

Blockchain and artificial intelligence (AI) technologies are redefining credit access for women entrepreneurs in Nigeria by eliminating traditional bottlenecks such as biased human assessment, fragmented credit histories, and lack of transparency. Blockchain offers a secure, decentralized ledger system that can record credit transactions, peer-to-peer lending activity, and mobile payments effectively creating a verifiable financial identity for unbanked women. As represented in table 3 emphasize that blockchain-based financial records enable lenders to trust data sourced outside the conventional banking ecosystem, thus allowing women with informal financial histories to establish creditworthiness in real time (Avevor et al., 2025; Zavolokina, et al., 2016).

Artificial intelligence complements blockchain by analyzing vast sets of non-traditional data to create predictive credit scoring models. AI-driven platforms can assess mobile phone usage, e-commerce behavior, utility payments, and even social media interactions to determine lending risk. It argue that these AI tools not only reduce underwriting costs but also mitigate bias in loan approvals by focusing on behavioral indicators rather than gender or collateral (Chen, et al., 2019). In Nigeria, fintech startups are beginning to integrate AI and blockchain to facilitate microcredit for rural women many of whom lack formal documentation. This convergence of technologies empowers women with transparent, data-driven pathways to credit, enhancing their economic agency and financial inclusion (Okoh et al., 2024).

Table 3: Summary of Blockchain and AI in Credit Access

Technology	Functionality	Benefits to Women Entrepreneurs	Challenges
Blockchain	Decentralized ledger records secure, transparent, and tamper-proof transactions	Builds verifiable financial identity from informal transactions and peer lending	Limited digital infrastructure and low awareness in rural areas
Artificial Intelligence (AI)	Uses alternative data to assess creditworthiness (e.g., mobile usage, e-commerce behavior)	Provides access to credit without traditional collateral or formal credit history	Risk of algorithmic bias and data privacy concerns
Smart Contracts	Automates loan agreements based on predefined conditions	Ensures transparency and reduces reliance on intermediaries	Requires legal recognition and digital literacy
Integrated Fintech Platforms	Combines AI and blockchain for end-to-end lending solutions	Streamlines access to fast, low-risk digital credit for underserved women	High development costs and regulatory uncertainty

5. Policy and Institutional Frameworks

5.1 Gender-Inclusive Financial Policies

Gender-inclusive financial policies are essential instruments for correcting systemic imbalances that restrict women's access to finance and limit their economic participation. These policies go beyond providing equal access to credit by addressing structural barriers such as discriminatory legal frameworks, male-centered banking models, and gender-insensitive risk assessments. As represented in table 4 and figure 4 argue that when governments and financial regulators implement gender-responsive reforms such as property rights for women, inclusive banking regulations, and mandatory gender disaggregated reporting women's economic engagement rises significantly (Elborgh-Woytek et al., 2013). In Nigeria, policy interventions such as the National Financial Inclusion Strategy (NFIS) and Central Bank initiatives aimed at empowering women-led SMEs have made incremental progress, though gaps remain in implementation and enforcement.

Moreover, the integration of gender metrics in policy formulation helps align financial products with the realities of women entrepreneurs, particularly in underserved regions. They highlight the importance of embedding gender targets in financial sector reforms, credit guarantee schemes, and digital finance policies to ensure measurable outcomes (Sahay et al., 2015). For instance, mandating financial institutions to tailor products for low-income women or subsidize interest rates for female-led microenterprises can increase uptake and economic resilience. In Nigeria's policy landscape, scaling gender-inclusive finance requires cross-sector collaboration, strong political will, and the embedding of gender equality into national economic planning frameworks.

Table 4: Summary of Gender-Inclusive Financial Policies

Policy Instrument	Description	Benefits to Women Entrepreneurs	Challenges
Gender-Disaggregated Data Policies	Mandate financial institutions to collect and report gender-specific data	Helps identify gaps in access and design targeted financial interventions	Data collection systems may be weak or inconsistently implemented

Table 4 (cont): Summary of Gender-Inclusive Financial Policies

Property and Inheritance Reforms	Legal frameworks that ensure equal rights to land and asset ownership	Increases women's ability to provide collateral for loans	Cultural resistance and weak enforcement in some regions
Financial Product Customization	Encouraging banks to develop women-centered loan and savings products	Aligns financial services with women's needs and business profiles	Banks may lack capacity or incentives to innovate for underserved segments
Interest Rate Subsidies and Guarantees	Government-backed schemes to reduce lending risk to women-led businesses	Expands credit access and reduces cost of borrowing for women	Sustainability concerns and limited outreach in rural areas

Figure 4 illustrates a joyful woman farmer actively engaged in agricultural labor, symbolizing the core aim of AFI's Gender Inclusive Finance Policy Model—empowering women through equitable access to financial services. Gender-inclusive financial policies recognize and address the structural barriers that women, especially in rural and underserved areas, face in accessing credit, savings, insurance, and digital finance. By tailoring financial systems to consider gender-specific needs, such policies enable women to become economically active, participate fully in development, and contribute to resilient and inclusive growth. The presence of women working together in the field underscores the collective benefit of financial inclusion, which not only uplifts individuals but strengthens entire communities.

Figure 4: Picture of Empowering Women Through Inclusive Finance (Elborgh-Woytek et al., 2013)

5.2 Role of Public-Private Partnerships

Public-private partnerships (PPPs) serve as strategic platforms for enhancing women's access to finance by leveraging the resources, expertise, and networks of both the public and private sectors. In the Nigerian context, PPPs have been instrumental in expanding inclusive financial services, particularly through initiatives that support women-led micro, small, and medium enterprises (MSMEs). They emphasize that PPPs enhance service delivery by combining public sector policy direction with the operational efficiency of private actors, thus reducing bottlenecks in financing frameworks (Akintoye et al., 2003). For example, the Bank of Industry (BOI) collaborates with fintech companies and non-governmental organizations to roll out targeted funding programs for female entrepreneurs in agriculture and retail sectors.

Furthermore, PPPs provide a scalable and replicable model for inclusive financial innovation. They argue that transnational and local partnerships help bridge institutional voids, particularly in emerging markets where the state lacks capacity to deliver on its own (Schäferhoff, Campe, and Kaan, 2009). In Nigeria, projects like the Women Entrepreneurship Development Programme (WEDP), supported by partnerships between development banks and private tech firms, illustrate how PPPs can deliver customized credit products, financial literacy training, and digital tools to women entrepreneurs. These collaborative arrangements are essential in catalyzing systemic reforms and expanding sustainable financial inclusion for Nigerian women.

5.3 Central Bank and Regulatory Support Mechanisms

Central banks play a pivotal role in shaping financial ecosystems that support gender-inclusive access to finance, particularly through regulation, policy design, and market supervision. The Central Bank of Nigeria (CBN) has been at the forefront of promoting financial inclusion through frameworks like the National Financial Inclusion Strategy and the Microfinance Policy Framework. They argue that regulatory institutions must ensure a level playing field by enforcing mandates that require financial institutions to reduce gender-based disparities in credit allocation, product development, and branch outreach (Demirgüç-Kunt and Klapper, 2013). In Nigeria, CBN directives such as licensing tiered Know Your Customer (KYC) processes and supporting agent banking have enabled women in rural and underserved communities to open accounts and access formal services.

Additionally, regulatory incentives such as interest rate caps for microloans, credit guarantee schemes, and refinancing windows for microfinance banks are instrumental in encouraging lenders to target women entrepreneurs. They emphasize the importance of prudential regulations that facilitate innovation while safeguarding financial stability (Beck and De la Torre, 2007). For example, the CBN's development finance interventions—such as the NIRSAL Microfinance Bank's women-focused SME loans—illustrate how regulatory mechanisms can reduce perceived lending risk and improve access. Through adaptive regulation and strategic oversight, central banks can catalyze transformative outcomes for women's financial empowerment.

6. Socioeconomic Impact of Financing Women Entrepreneurs

6.1 Poverty Alleviation and Household Income Growth

Financing women entrepreneurs has a direct and measurable impact on poverty alleviation and household income growth, particularly in low- and middle-income countries such as Nigeria. When women gain access to financial resources, they tend to reinvest earnings into their families through education, nutrition, and healthcare, creating a multiplier effect within the household. As presented in figure 5 emphasizes that women's economic empowerment leads to better welfare outcomes for children and long-term improvements in living standards (Duflo, 2012). In Nigeria, many women use proceeds from microloans or cooperative financing to support family-run enterprises such as catering, textiles, and petty trading activities that not only increase household income but also reduce dependence on informal safety nets.

Microcredit and other inclusive financial instruments also stimulate income diversification and asset accumulation, which enhance resilience to economic shocks. They found that sustained access to microfinance services in Bangladesh led to long-term poverty reduction through increased entrepreneurial activity and employment generation (Khandker and Samad, 2014). A similar dynamic is observed in Nigerian communities where women's access to funding has allowed for the establishment of agro-processing ventures and small retail outlets. These enterprises create jobs for other women, improve community livelihoods, and contribute to national economic growth through expanded household-level productivity.

Figure 5 presents a comprehensive framework of interconnected measures aimed at reducing poverty, each of which contributes directly to increasing household income and improving living standards. Initiatives such as human resource development and non-farm employment enhance individual skills and diversify income sources beyond agriculture. Infrastructure development and rural growth expand economic opportunities and market access, especially for marginalized communities. Access to assets and public distribution systems ensure that basic needs are met, reducing vulnerability and enabling savings. Meanwhile, policies that promote economic growth and poverty alleviation raise overall productivity and income levels. Collectively, these strategies work synergistically to lift households out of poverty by improving earning capacity, ensuring social protection, and fostering long-term financial resilience.

Figure 5: Picture of Integrated Measures for Sustainable Poverty Reduction (Duflo, 2012)

6.2 Job Creation and Economic Diversification

Women's entrepreneurship is a powerful catalyst for job creation and economic diversification in Nigeria's evolving economy. When properly financed, women-led businesses expand from micro-enterprises into formal small and medium enterprises (SMEs), generating employment not only for the entrepreneurs themselves but also for others within their communities. They argue that entrepreneurial activity enhances labor absorption across sectors, especially in economies with large informal segments and limited formal employment opportunities Acs, et al., 2016). In Nigeria, women-owned businesses in agriculture, fashion, beauty, and retail are major contributors to self-employment and local hiring, particularly in rural areas where government jobs and corporate employment are scarce.

Moreover, financing women entrepreneurs fosters economic diversification by enabling them to venture into non-traditional and high-growth sectors. Emphasizes that diversified entrepreneurship is critical for reducing economic vulnerability, especially in resource-dependent countries (Naudé, 2010). Nigerian women, with adequate financial support, have increasingly entered emerging sectors such as agritech, logistics, digital services, and light manufacturing. For example, fintech-enabled women-led delivery startups and food-processing cooperatives are contributing to sectoral development while addressing service delivery gaps. These enterprises not only boost GDP but also create resilient, inclusive economies that can better withstand shocks such as pandemics, inflation, and global commodity fluctuations.

6.3 Improved Health, Education, and Social Inclusion

Financing women entrepreneurs contributes significantly to improved health, education, and social inclusion outcomes, both at the household and community levels. Empowered with financial resources, women are more likely than men to invest in their children's education, nutritious food, and healthcare. Highlight that access to microfinance enhances women's bargaining power within the family, which leads to better allocation of household income towards developmental priorities (Cheston and Kuhn, 2002). In Nigeria, women-led businesses often serve as financial buffers that support school fees, clinic visits, and preventive health for family members, especially in rural and low-income urban settings.

Moreover, financing women entrepreneurs fosters broader social inclusion by elevating women's voices in decision-making processes and reducing gender-based disparities. Found that households with women participants in microcredit schemes experienced higher levels of female school enrollment and lower child mortality rates compared to male-participant households (Pitt and Khandker, 1998). In Nigeria, increased financial agency through cooperative savings, grants, or digital lending allows women to engage in community leadership roles and policy dialogues. This inclusion reshapes gender norms and builds pathways for intergenerational mobility, ensuring that the benefits of women's economic empowerment extend far beyond income generation to broader societal transformation.

Table 5: Summary of Improved Health, Education, and Social Inclusion

Impact Area	Description	Benefits to Women Entrepreneurs and Households	Challenges
Health Improvements	Increased income enables spending on nutrition, maternal care, and healthcare	Reduces child and maternal mortality; improves family well-being	Limited healthcare infrastructure in underserved regions
Educational Advancement	Financial empowerment supports payment of school fees and supplies	Increases girls' enrollment, reduces dropout rates, and enhances literacy levels	High education costs and limited access in rural areas
Social Inclusion	Financial independence enhances women's participation in community leadership	Empowers women to influence local decision-making and gender equity efforts	Cultural and institutional barriers to women's full participation
Intergenerational Impact	Income stability fosters long-term family investments in development	Breaks cycles of poverty and promotes sustained social mobility	Requires consistent income and access to supportive policies and services

7. Conclusion and Recommendations

7.1 Summary of Key Findings

This study examined the pivotal role of financing women entrepreneurs in driving inclusive economic growth in Nigeria. It highlighted that while women constitute a significant portion of the informal and micro-enterprise sectors, they face persistent barriers such as limited access to formal credit, gender-biased lending practices, lack of collateral, and inadequate financial literacy. Despite these challenges, the study found that women entrepreneurs demonstrate strong repayment behavior, entrepreneurial resilience, and a high propensity to reinvest in their families and communities. Tools such as microfinance, cooperative societies, mobile banking, fintech platforms, and AI-driven credit assessments were identified as vital instruments for overcoming traditional obstacles to women's financial inclusion.

The findings further revealed that"targeted financial interventions contribute to broader socio-economic development. These include poverty reduction, job creation, income diversification, improved access to education and healthcare, and increased social inclusion. The study also emphasized the significance of institutional support, including gender-sensitive financial policies, public-private partnerships, and central bank regulatory frameworks, in scaling up financial access for women. Overall, financing women entrepreneurs is not only a matter of equity but a strategic economic imperative for Nigeria's long-term development. The study calls for integrated, technology-enabled, and policy-driven approaches to sustainably unlock the potential of women-led enterprises.

7.2 Strategic Policy Recommendations

To foster inclusive economic growth through women entrepreneurship in Nigeria, strategic policy frameworks must prioritize gender-responsive financial systems. Government agencies should mandate financial institutions to design tailored credit products that consider the unique needs and risk profiles of women entrepreneurs, particularly those in the informal sector. This includes easing collateral requirements, offering flexible repayment terms, and integrating alternative credit scoring models. Financial literacy programs must be institutionalized across rural and urban communities to build the capacity of women to make informed financial decisions and successfully manage their enterprises. National policies should also mandate the disaggregation of financial data by gender to monitor progress and guide evidence-based interventions.

In addition, collaborative efforts between the public and private sectors must be strengthened to create scalable and sustainable support mechanisms. Public-private partnerships can pool resources for grant schemes, mentorship programs, and digital financial innovations targeting women. Central bank regulations should encourage inclusive banking practices and provide incentives for institutions that meet women-focused lending benchmarks. Moreover, investment in digital infrastructure, mobile banking networks, and gender-sensitive fintech platforms will further reduce the urban–rural financial divide. A coordinated strategy combining regulatory support, digital innovation, and grassroots empowerment will unlock the full economic potential of women entrepreneurs across Nigeria.

7.3 Future Research and Implementation Pathways

Future research should delve deeper into the intersection of digital financial technologies and women's entrepreneurship in underserved regions of Nigeria. There is a need to explore how innovations such as blockchain, AI-driven credit scoring, and gender-focused fintech solutions can be adapted to local contexts, especially for women in agriculture and informal trade. Longitudinal studies assessing the long-term impact of financial inclusion initiatives on women's household welfare, business sustainability, and community development will provide critical insights for policy and program design. Additionally, more research is required to understand the barriers faced by women in accessing venture capital and angel investment, with a focus on cultural, institutional, and market-level factors.

On the implementation front, building an ecosystem of inclusive finance requires a multi-stakeholder approach involving governments, financial institutions, NGOs, and technology firms. Establishing pilot programs that test gender-targeted financial products, especially in rural communities, can serve as scalable models for nationwide adoption. Capacity-building initiatives should be integrated into national entrepreneurship strategies, with a focus on digital literacy, market access, and regulatory compliance. Strengthening data collection mechanisms and developing gender-sensitive monitoring and evaluation frameworks will also be crucial in tracking progress and refining interventions that support women's economic empowerment in Nigeria.

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