

MINI REVIEW



Exploring the challenges of women entrepreneurs in Kigali, Rwanda: Lessons and implications for empowerment

Priscilla Peace Mwangi

College of Business and Economics, University of Rwanda, Kigali, Rwanda

ABSTRACT

This study examines the key challenges faced by women entrepreneurs in Kigali, Rwanda, and explores strategies for enhancing their participation in the formal economy. Drawing on data from a survey of women-led small and medium enterprises (SMEs), the review highlights constraints across three levels: individual (such as limited financial literacy), institutional (lack of access to credit and mentorship), and societal (gender norms and limited visibility in leadership roles). Although women make up over half of Rwanda's population, their representation among formal SME owners remains disproportionately low. Many operate smaller-scale businesses and face barriers to growth, particularly in accessing technology and formal markets. The findings underscore the importance of inclusive policy frameworks, targeted financial programs, and capacity-building initiatives aimed at empowering women entrepreneurs. Strengthening institutional support systems and promoting cultural shifts are essential to sustaining Rwanda's progress in gender-inclusive entrepreneurship.

KEYWORDS

Women entrepreneurs;
Leadership in business;
Gender equality; Rwanda;
Entrepreneurship
development; Inclusive
economic growth

ARTICLE HISTORY

Received 22 January 2025;
Revised 30 January 2025;
Accepted 6 February 2025

Introduction

Women's entrepreneurship is increasingly acknowledged as a transformative driver of economic growth, innovation, and social inclusion, especially in developing contexts where gender gaps remain significant. Despite higher barriers relative to men, women entrepreneurs contribute substantially to local economies through small businesses and cooperatives [1].

Rwanda presents a compelling case where women's entrepreneurship intersects with post-conflict reconstruction and gender-inclusive governance. After the 1994 genocide, women made up nearly 70% of the country's population and assumed critical roles in rebuilding both the community and economy [2]. This shift was institutionalized through gender-sensitive policies, including constitutional mandates for women's representation in leadership. As of 2024, Rwanda leads the world with over 61% of parliamentary seats held by women [3].

These political gains have extended into Rwanda's entrepreneurial ecosystem. In Kigali, women own approximately 43% of businesses, yet they still face significant challenges, including limited access to finance, burdensome collateral requirements, high taxation, and low digital literacy [4]. This mini-review examines how Rwanda's gender-progressive environment has enabled the growth of women-led enterprises while critically analyzing the structural barriers that persist.

Rwanda's Post-Genocide Transformation and Gender-Inclusive Policy Context

Rwanda's recovery after the 1994 genocide against the Tutsi stands as one of the most remarkable stories of post-conflict

transformation [5]. With nearly a million lives lost and national infrastructure in ruins, the country faced immense challenges in rebuilding its institutions, economy, and social fabric. Women, who constituted the majority of the surviving population, emerged as central figures in the nation's reconstruction.

Recognizing this demographic reality, Rwanda adopted a development model that prioritized gender inclusion. The government integrated gender equity into the national constitution and legal framework, establishing formal quotas for women's participation in decision-making at all levels [6]. Over time, these policies have translated into significant female representation in leadership positions, including parliament, local governance, and various ministries.

The institutional commitment to gender equality also influenced the country's economic strategy. Women were identified not just as beneficiaries of development but as active agents of change. Public and private programs were introduced to support women in business, including training initiatives, credit facilities, and targeted entrepreneurial support schemes [7].

This inclusive approach created a supportive environment in which women increasingly participated in formal economic activities, particularly in urban centers like Kigali [8]. Many women began establishing small and medium-sized enterprises, often leveraging their community networks and informal business experience. While national policy provided a strong foundation, the success of these efforts has also depended on the resilience and leadership of the women themselves.

Despite notable progress, the journey toward full economic empowerment continues. Structural barriers, cultural expectations, and implementation gaps still pose challenges.

*Correspondence: Dr. Priscilla Peace Mwangi, College of Business and Economics, University of Rwanda, Kigali, Rwanda, e-mail: ppm.research@ur.ac.rw

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However, Rwanda's transformation demonstrates the power of combining gender-sensitive governance with grassroots participation in shaping a more equitable entrepreneurial ecosystem [9].

Barriers to Women's Entrepreneurial Leadership in Rwanda

While Rwanda has made significant progress in empowering women through policy and political representation, women entrepreneurs continue to face several challenges that limit their leadership potential in the business sector [10].

Access to finance

One of the most persistent barriers is limited access to capital. Many women lack collateral such as land or property, which are traditionally required by banks for loans. Additionally, informal savings groups, though common, often provide insufficient funding to scale businesses. Financial institutions may also perceive women-led enterprises as riskier investments, further restricting access to larger funding sources [11].

Education and skills gaps

Although general literacy rates among women have improved in Rwanda, business-specific training remains limited. Many women entrepreneurs operate informally and have little exposure to digital skills, bookkeeping, or marketing strategies [4]. This skills gap makes it difficult for them to grow their businesses or transition from informal to formal sectors.

Cultural and social norms

Gender roles and expectations continue to shape the entrepreneurial landscape. In many households, women are still expected to prioritize domestic responsibilities over business ambitions. This "double burden" of managing home and business often limits the time and energy women can invest in growing their enterprises [12].

Limited networking opportunities

Professional networks and mentorship programs are crucial for business growth, but women entrepreneurs often have fewer opportunities to connect with influential stakeholders [13]. Male-dominated industries and decision-making spaces can be inaccessible or unwelcoming to women, reducing their exposure to partnerships, contracts, and advisory support [14].

Policy-to-practice gap

Although Rwanda has gender-sensitive policies, there is a gap between legislation and its implementation, especially in rural areas. Women in remote or underserved regions often lack awareness of their rights and available government programs [15]. Additionally, support services may not be adequately funded or monitored for effectiveness.

Enabling Ecosystem for Female Entrepreneurs

Rwanda has built a strong institutional and policy-driven ecosystem to support women's entrepreneurship, with coordinated efforts from government bodies, development partners, and financial institutions [16]. These efforts have played a crucial role in improving access to capital, knowledge, and technology for aspiring and existing female entrepreneurs.

The Rwanda Development Board (RDB) serves as a one-stop hub for business registration, investment facilitation, and entrepreneurial development. It has implemented gender-sensitive programs to help women formalize their businesses, access incentives, and engage in cross-border trade opportunities [17]. RDB also provides workshops, mentorship programs, and business clinics tailored to the needs of women. To address the financing gap, the Business Development Fund (BDF) offers credit guarantees and matching grants for small and medium-sized enterprises (SMEs). Within BDF, the Women Guarantee Fund was created specifically to support women entrepreneurs who face collateral constraints. This fund enables them to access loans from banks and microfinance institutions, reducing one of the main financial barriers to business growth [18].

Beyond government support, non-governmental organizations (NGOs) and international partners such as UN Women, the International Finance Corporation (IFC), and other donor agencies contribute by providing entrepreneurship training, business advisory services, and seed funding [19]. Their programs often target rural and low-income women, helping them develop both technical and leadership skills.

Access to microfinance, training programs, and mentorship has significantly increased over the past decade, especially through community-based initiatives. These programs not only provide capital but also help women manage finances and scale sustainably.

In rural areas, the rise of digital and mobile banking platforms has enabled women to save, transfer money, and access microloans without relying on traditional banks. These innovations have made financial services more inclusive, allowing rural women entrepreneurs to scale up their businesses and participate more actively in the national economy [20].

Recommendations

While Rwanda has made impressive strides in promoting gender equality and empowering female entrepreneurs, more targeted strategies are needed to address remaining barriers and accelerate inclusive economic growth.

Recommendations:

- 1. Expand access to affordable finance:** Although the Women Guarantee Fund and microfinance institutions offer critical support, more tailored financial products should be developed for women in diverse sectors, including agriculture, manufacturing, and technology. Interest rates and repayment terms should be designed with flexibility to accommodate small-scale and rural women-led businesses.
- 2. Strengthen rural outreach programs:** Most entrepreneurship support is concentrated in urban centers like Kigali. Expanding the reach of training, mentorship, and financing programs to rural and remote areas would ensure more equitable access. Mobile-based platforms and community cooperatives can play a key role here.
- 3. Encourage public-private partnerships:** Collaboration between government, NGOs, financial institutions, and

private-sector companies should be deepened to co-create programs that address market access, business formalization, and innovation for women entrepreneurs.

4. **Promote digital literacy and e-commerce:** Bridging the digital divide will be crucial for women to compete in local and international markets. Programs focused on digital skills, e-commerce, and fintech can boost productivity and create new revenue streams.
5. **Create inclusive monitoring systems:** National data systems should be improved to track the progress of women-owned businesses, measure program impact, and identify gaps. Gender-disaggregated data will help inform better policies and funding allocation.

Conclusions

Rwanda's example shows that with strong political will, institutional backing, and inclusive economic policies, significant progress can be made in advancing women's entrepreneurship. However, closing the remaining gaps requires deeper grassroots engagement, sustained financial inclusion, and continuous adaptation of policy to ensure no woman is left behind. By investing in women entrepreneurs, Rwanda not only boosts its economy but also sets a global example of gender-responsive development.

Disclosure Statement

The authors declare that they have no competing interests.

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