



In partnership with



# THE STATE OF ENTREPRENEURSHIP IN UGANDA 2024

## Performance of Women-led Businesses



## INTRODUCTION:

Despite women's active participation in all dominant sectors of Uganda's economy, their MSMEs scored lower on key dimensions of entrepreneurial health compared to their male counterparts. This is according to the inaugural State of Entrepreneurship Study conducted in 2024 by Ichuli and IPSOS, with support from the Mastercard Foundation and in collaboration with The Government of the Republic of Uganda ministries and agencies.

This pioneering study assessed Uganda's entrepreneurial ecosystem across eight dimensions: Human Capital, Linkages, Technology, Internal Processes and Systems, Attitudes, Willingness to Grow, and Financial Sustainability and Formal Registration, as per the National Entrepreneurship Index (NIE) tool.

This factsheet presents key findings on the performance of women-led MSMEs, their challenges, and recommendations to enhance their success.

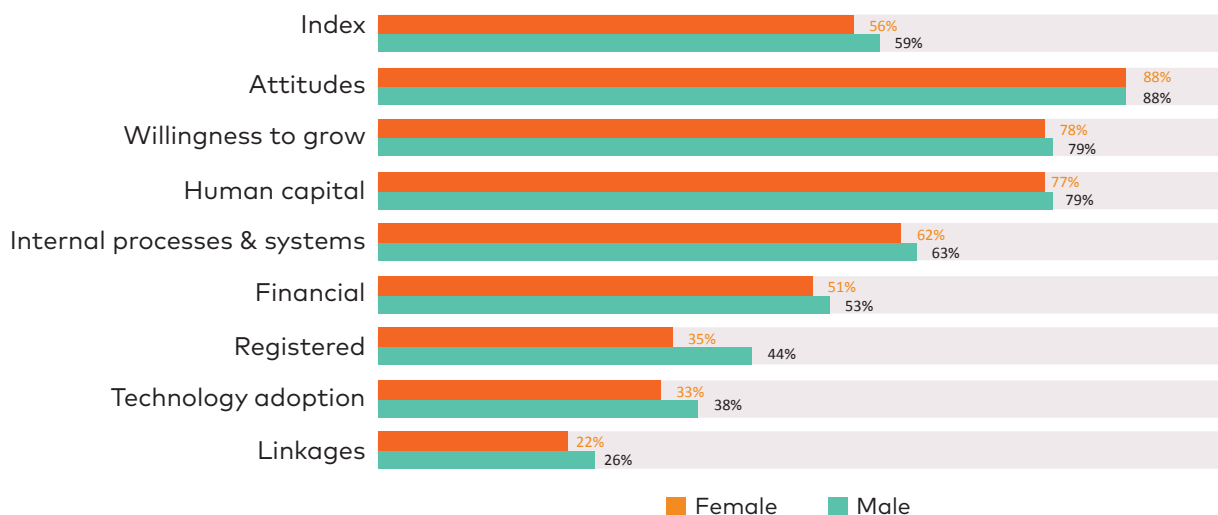


# KEY FINDINGS

## OVERALL NATIONAL ENTREPRENEURSHIP INDEX FOR WOMEN MSMES

The NEI for women was 56% against a national average of 57%. Across most key contributors to the Index, there were minimal differences between women and men with overall scores of 56% and 59%, respectively. However, notable gaps were observed in business registration (35% vs. 44%), technology adoption (33% vs. 38%), and business linkages (22% vs. 26%). These disparities highlight the need to address additional barriers faced by women entrepreneurs, including limited access to land, credit, production assets, and the impact of societal norms.

Contributors to the National Index by gender.

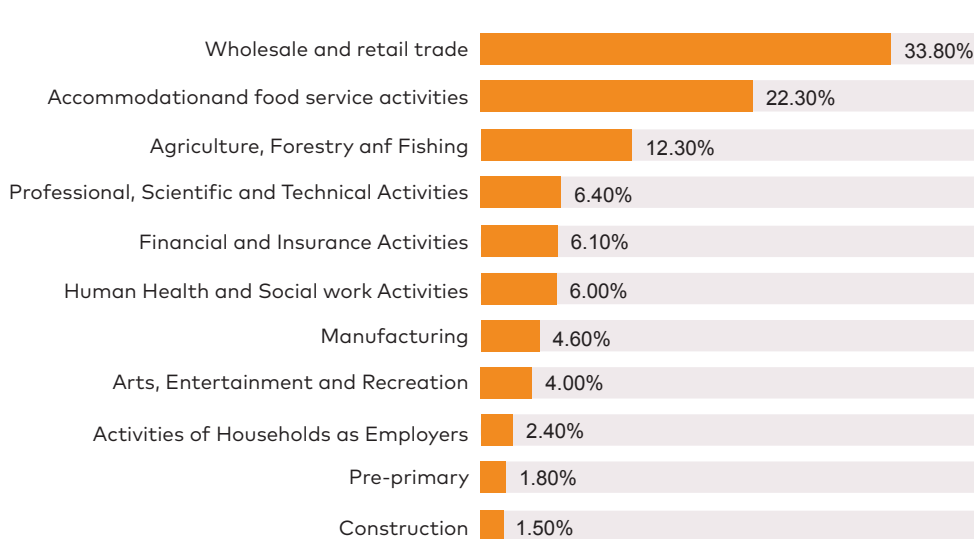


## TOP SECTORS FOR WOMEN MSMES

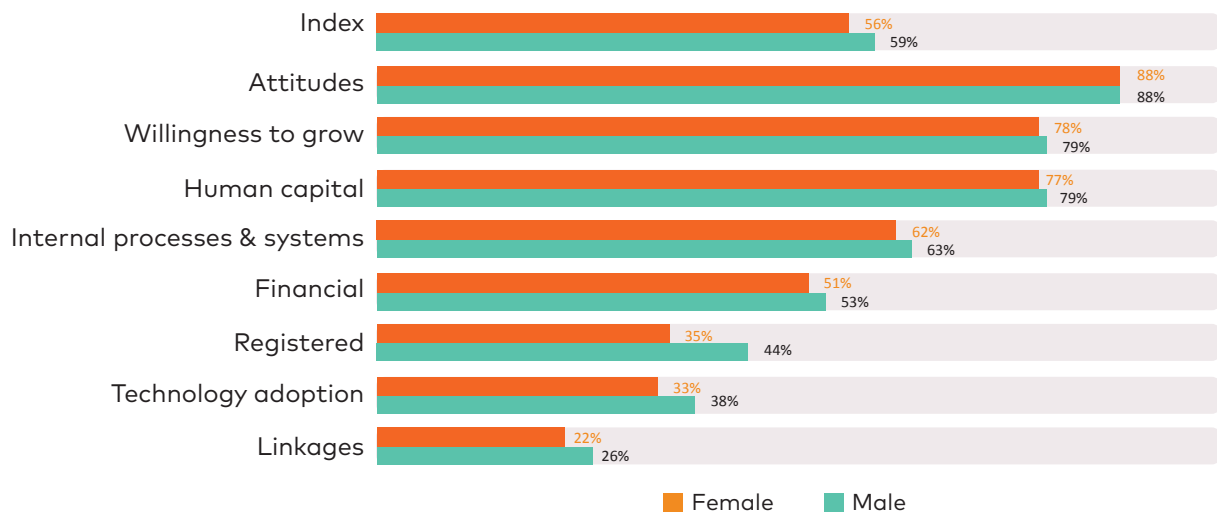
Women are actively participating in the dominant sectors of the economy. The top three sectors for women-led businesses mirrored the national landscape, with Wholesale and Retail Trade at 33.8%, Accommodation and Food Service Activities at 22.3%, and Agriculture, Forestry, and Fishing at 12.3%.

Under-represented sectors among women-led businesses are Construction and Pre-primary Education at 1.5% and 1.8%, respectively.

The 10 Top most women led businesses



## PERFORMANCE OF WOMEN-OWNED BUSINESSES ON THE NATIONAL ENTREPRENEURSHIP INDEX DIMENSIONS



The top performing dimensions for women businesses were attitudes, willingness to grow, and human capital. The least performing dimensions were business registration, technology, and linkages.

- Human Capital:** The majority of women-led businesses are small, with fewer than three employees. Specifically, 42.4% have no employees, and 43.5% have only 1 to 2 employees. Women-led businesses are more likely to have no employees compared to men (42.4% vs. 26.3%). Men-owned businesses tend to be larger, with 10% having 3 to 4 employees (vs. 10% for women) and 10% having 5 to 10 employees (vs. 3% for women). These figures highlight significant barriers to scaling for women entrepreneurs, indicating a need for targeted support.
- Processes and Systems:** Overall, women's score on this Index was marginally different from that of men (63% vs 62%) but unlike their male counterparts, women had lower scores on processes and manuals (31.4% vs 39.2%) and financial record keeping (61.3% vs 65.4%). These disparities may be attributed to differences in access to resources, networks, and mentorship opportunities.

### Business Processes & Systems by Age and Gender of Business Owners, n=3062

		Gender	
		Male	Female
Process & Systems Business has processes / Manuals	No	60.8%	68.6%
	Yes	39.2%	31.4%
Business believes in the Importance of the processes / manuals	No	8.6%	10.4%
	Yes	91.4%	89.6%
Contracts with Employees	None	89.1%	94.5%
	All	7.1%	3.9%
	More than Half	1.4%	0.5%
	Less than half	2.4%	1.0%
Financials Records	No	34.6%	38.7%
	Yes	65.4%	61.3%
Business believes in the Importance of Financial Records	No	3.7%	3.0%
	Yes	93.4%	93.1%
	Don't Know/Not sure	2.9%	3.9%

- **Financial Capacity:** 12% of women-led businesses reported losses in the past calendar year compared to 9% of men-owned businesses. Similarly, 40% of women-led businesses reported unstable margins versus 38% of men-owned businesses. Record-keeping and budgeting practices were similar between genders, though slightly more women did not budget at all (63.5% vs. 60.1% for men).
- **Business Registration:** The NEI business registration was 39%, the third lowest score among all eight dimensions of the Index. 35% women-owned businesses were registered versus 44% for men-owned businesses. Businesses found the registration process complex, costly and marred with inefficiencies, delays, and corruption. Women faced additional barriers such as a lack of knowledge and understanding (language and skills), travel and time constraints and faced higher demands for bribes.

“  
*You sometimes go the Chairman LC III, and he asks for some money before giving you a recommendation letter to take to the district health inspector.*  
**Female, Youth, Drug shop business, Kayunga District**  
 ”

- **Technology Adoption:** The major contributors to the technology adoption dimension were access to technology, particularly smartphones and computers. The study revealed a significant digital divide, with more than half of the businesses lacking access to these essential tools, hindering their ability to leverage digital technologies for modern business operations and entrepreneurship. Notable disparities existed between genders with women scoring 33% against 38% for men. Only 5.7% of females reported owning a computer compared to 14.2% of males. Additionally, 57% of females did not own a phone versus 49% of males. Similarly, 94% of females lacked software for operations compared to 89.4% of males.

Women primarily used their phones for business operations and communication, whilst men emphasized using machines and tools to enhance production and efficiency. This suggests that women may not have the same access to, or familiarity with, more sophisticated technology that can enhance productivity and efficiency.

#### Factors Driving Technology Among MSMEs by Age and Gender

Technology Factors		Gender	
		Male	Female
Access to mobile phone or computer	None	49.0%	57.0%
	Smartphone	35.5%	36.1%
	Computer	1.4%	1.2%
	Both smart phone and a computer	14.2%	5.7%
Software Usage for Operations (e.g., accounting software)?	No	89.4%	94.0%
	Yes	10.6%	6.0%
Access to necessary technology	No	63.7%	66.2%
	Yes	28.3%	21.6%
	Don't Know/Not sure	7.9%	12.2%

- **Linkages:** The linkages dimension scored the lowest across genders, at 22% for women and 26% for men. This was due to limited online sales, moderate B2B linkages, and minimal import activity. There were small differences in import activity between both genders at 4.8% for men and 2.9% for women. In contrast, women-owned businesses were less likely to engage in online sales (87.6% vs. 80.5% for men), indicating a lower adoption of digital technologies and e-commerce. These findings highlight the need for targeted interventions to address the gender gap in digital adoption, market linkages, and international trade. Policymakers and business support organizations should provide women entrepreneurs with access to technology, skills training, mentorship, and networks to help them overcome barriers and compete equally with men.

## CONCLUSION

The gender disparities highlighted in the Uganda State of Entrepreneurship Report underscore the urgent need for concerted efforts to create a supportive entrepreneurial ecosystem for women-led MSMEs. The study calls for tailored interventions to address barriers faced by women in formalization, access to resources, technology adoption, and business linkages. Policymakers, stakeholders, and the private sector must work together to build the capacity of women entrepreneurs, enabling them to leverage opportunities within the entrepreneurial ecosystem, especially in emerging sectors. By doing so, we can foster the growth of thriving women-led businesses and ensure a more inclusive and resilient economy.



*Atenge Christine an entrepreneur that uses craft to empower and skill other youth*

