

Social Innovation and Gender Inclusion Among Retail Trading Enterprises in Lagos

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Abstract

Across African urban economies, retail trading provides livelihoods for millions, particularly women, yet their overwhelming presence in market spaces does not translate into equitable empowerment or institutional recognition. In Lagos, women remain constrained by exclusion from decision-making, limited access to credit and systemic neglect, raising urgent questions about the mechanisms that can foster genuine inclusion. This study aimed to investigate how dimensions of social innovation co-creation, social need orientation, novelty, capacity building, and systemic change influence gender inclusion among retail trading enterprises in Lagos. Grounded in Institutional theory, the study employed a cross-sectional survey of 430 traders selected through a multi-stage sampling technique, using structured questionnaires validated through factor analysis and reliability checks. Multiple regression analysis at the 0.05 significance level revealed that only co-creation ($\beta = 0.27, p < 0.001$), capacity building ($\beta = 0.22, p = 0.001$), and systemic change ($\beta = 0.19, p = 0.004$) significantly influenced gender inclusion, while novelty and social need orientation were non-significant. The findings indicate that inclusion is primarily driven by participatory governance, skills enhancement, and institutional reforms rather than token social interventions or isolated innovations. The study concludes that women's empowerment in Lagos retail trading requires institutional re-engineering rather than superficial responses, and recommends deliberate policy efforts to embed women in governance structures, strengthen capacity-building programs and sustain systemic reforms.

Keywords: Empowerment, Institutional reform, Market governance, Financial literacy, Inclusivity

Introduction to the Study

Gender inclusion in the retail trading sector of Lagos has emerged as a critical determinant of urban livelihood and household welfare. In Lagos alone, women constitute an estimated **65–70% of informal retail traders**, spanning open markets, street vending, and small-scale shops (USAID, 2025). Despite their numerical dominance, their participation is structurally constrained by unequal access to finance, inadequate infrastructure, weak institutional recognition and entrenched gender norms (Olohunlana, 2024). These barriers perpetuate an ecosystem where women are vital economic actors yet remain marginalized in decision-making, income security, and opportunities for growth.

While retail trade in Lagos sustains millions of households, particularly among women traders, the system is plagued by informality, low productivity and social exclusion. Traditional interventions such as microfinance and market association reforms have improved access to credit and solidarity

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but fall short of driving *transformational inclusion*. Women continue to experience limited bargaining power, exposure to harassment in market environments and exclusion from digital trade platforms (OECD/SWAC, 2019). The persistence of these inequalities calls for an innovative, socially-anchored response that rethinks how retail trade enterprises can be both competitive and inclusive.

Prior studies have examined women entrepreneurs in Lagos from the lens of microfinance (Olohunlana, 2024), innovativeness under gender imbalance (Sajuyigbe, 2020), or broader informal market structures (Lawanson, 2014). However, most works remain fragmented, focusing on access to finance or descriptive market dynamics without embedding a systemic innovation perspective. There is limited scholarship that rigorously integrates **social innovation constructs** such as co-creation, social need orientation, and systemic change with gender inclusion outcomes in retail trading enterprises. This gap constrains the policy and managerial capacity to design scalable solutions that elevate women's agency and enterprise performance in Lagos markets. Against this backdrop, **social innovation** provides a compelling analytical framework. Its core dimensions **co-creation** (engaging traders, associations, and stakeholders in participatory solution design), **social need orientation** (prioritizing traders' real welfare needs such as safety, childcare, or market access), **novelty** (adoption of new digital platforms, financial tools, or spatial market designs), **capacity building** (strengthening women traders' entrepreneurial, technological, and organizational skills) and **systemic change** (addressing institutional biases, gendered governance, and infrastructure deficits) represent potential levers for transforming the retail ecosystem (Nwuneli, 2021; Olohunlana, 2024).

In light of the centrality of retail trade to Lagos' urban economy and the systemic marginalization of women within it, **can social innovation be the catalyst that finally converts women's numerical strength in retail markets into genuine gender inclusion and sustainable enterprise growth?**

General Aim of the Study

The study aims to **examine the influence of social innovation on gender inclusion among retail trading enterprises in Lagos**, with emphasis on how co-creation, social need orientation, novelty, capacity building and systemic change drive inclusive participation and empowerment of women in the retail sector.

Specific Objectives

1. **To evaluate the effect of co-creation initiatives** (joint problem-solving with traders, associations, and stakeholders) on gender inclusion outcomes in Lagos retail enterprises.
2. **To determine the extent to which social need orientation** (responding to traders' real-life challenges such as safety, childcare, and market access) promotes women's inclusion in the retail sector.
3. **To assess the role of novelty** (new practices, digital platforms, innovative financing tools) in enhancing gender inclusion among Lagos retail trading enterprises.
4. **To investigate the contribution of capacity building** (entrepreneurial skills, technological competence, organizational training) to improving gender inclusion in retail markets.

5. **To analyze how systemic change** (institutional reforms, gender-sensitive governance, and market infrastructure improvement) facilitates sustainable gender inclusion among retail trading enterprises in Lagos.

Literature Review

Concept of Social Innovation

Social innovation is broadly defined as the development and implementation of **new ideas, practices, and organizational arrangements that address unmet social needs, enhance social relations, and create societal value beyond economic returns** (Nwuneli, 2021). Unlike technological or purely market-driven innovations, social innovation prioritizes inclusivity, equity, and sustainability, with a central focus on improving the quality of life of marginalized or underserved groups.

Early debates positioned social innovation mainly within the sphere of **welfare policy and nonprofit activity**, viewing it as a complement to state-led interventions in addressing poverty, inequality, and exclusion. By the late 20th century, attention shifted towards its role in the **informal economy and grassroots entrepreneurship**, where actors outside formal state structures (e.g., street traders in Lagos) adopted adaptive strategies to survive and thrive in hostile regulatory environments (Lawanson, 2014). In the 21st century, the concept has been reframed as a **systemic and collaborative process**—involving co-creation with stakeholders, leveraging technology, and scaling innovative solutions across sectors (OECD/SWAC, 2019). This trajectory highlights social innovation as both a **practical toolkit** for solving immediate societal problems and a **strategic lever** for reshaping socio-economic systems.

Thus, contemporary scholarship underscores social innovation as a **multi-dimensional construct**, operationalized through **co-creation, social need orientation, novelty, capacity building, and systemic change**—the focal proxies of this study.

Co-creation

Co-creation represents a participatory approach where stakeholders jointly design and implement solutions to social and economic problems. In the context of social innovation, it moves beyond top-down prescriptions and brings marginalized actors into the heart of decision-making. This process generates trust, fosters ownership, and ensures that interventions are not only relevant but also sustainable. Nwuneli (2021) emphasizes that co-creation in African markets often involves hybrid alliances among communities, entrepreneurs, governments, and civil society organizations. Such collaborations address complex, multi-dimensional challenges that cannot be solved by a single actor. Historically, Lagos' retail spaces have been regulated through rigid, hierarchical systems, where women traders were often excluded from formal planning and market development processes (Lawanson, 2014). Co-creation offers an alternative, enabling women traders to articulate their needs directly in the governance of markets. In this way, co-creation becomes a pathway to **embedding gender inclusion within the everyday realities of Lagos' retail enterprises**.

Social Need Orientation

Social need orientation emphasizes designing solutions that prioritize pressing societal challenges rather than merely maximizing economic efficiency. It requires actors to interrogate the lived

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experiences of vulnerable groups and tailor innovations to meet these demands. Nwuneli (2021) underscores that in African urban contexts, genuine innovation must respond to structural barriers such as limited access to sanitation, childcare, market security, and affordable credit. For Lagos retail traders, especially women, needs are not abstract but concrete — safe market spaces, protection from harassment, and fair access to trading stalls. OECD/SWAC (2019) highlights how women in West African trade networks identify daily challenges such as transportation and cross-border restrictions as significant constraints on their participation. Thus, social need orientation shifts the focus from generic entrepreneurship promotion to targeted interventions addressing what matters most to women traders. It ensures that innovations in Lagos markets are not cosmetic, but deeply attuned to the **practical drivers of gender inclusion and empowerment**.

Novelty

Novelty within social innovation refers to the introduction of new practices, models, or technologies that disrupt conventional patterns of problem-solving. It does not always imply invention from scratch but can involve recombining existing resources in creative ways to yield transformative outcomes. In the Nigerian context, novelty has been demonstrated through digital finance platforms, mobile payment solutions, and women-led cooperatives that introduce modern governance structures into informal trade (Nwuneli, 2021). Lawson (2014) observed that Lagos street traders often innovate informally by repurposing public spaces and creating survivalist networks that fill institutional voids left by government inaction. However, novelty in social innovation goes beyond adaptation; it seeks scalable models capable of reshaping socio-economic landscapes. For women retail traders in Lagos, novelty could mean the adoption of e-commerce channels, mobile cooperatives, or gender-sensitive digital credit tools. By embedding such creative approaches, novelty becomes a critical driver of **inclusive growth within Lagos' retail trading enterprises**.

Capacity Building

Capacity building entails equipping individuals and groups with the knowledge, skills, and organizational competencies needed to effectively participate in socio-economic systems. In the context of social innovation, it emphasizes strengthening agency among marginalized actors, thereby enabling them to fully exploit opportunities created by new interventions. Nwuneli (2021) argues that innovation efforts in Africa often collapse because beneficiaries lack the institutional or technical capacity to sustain them beyond initial funding cycles. OECD/SWAC (2019) similarly notes that women traders in West Africa face knowledge deficits in areas like financial literacy, digital tools, and negotiation skills, which hinders their competitiveness. In Lagos, capacity building could involve training women traders in modern inventory management, conflict resolution, and the use of mobile financial services. It also requires cultivating collective skills within trader associations so they can negotiate better terms with municipal authorities and financial institutions. Ultimately, capacity building becomes the backbone of ensuring that **gender inclusion in Lagos retail enterprises is not symbolic but transformative**.

Systemic Change

Systemic change refers to altering the deeper structures — policies, institutions, cultural norms, and power relations — that perpetuate exclusion and inequality. It moves beyond isolated interventions to address the root causes of social challenges. According to Nwuneli (2021), social innovation achieves its highest impact when it reshapes systems, not just symptoms. For instance,

systemic change in West African markets, as noted by OECD/SWAC (2019), has involved formal recognition of women's associations, reforms in border-trade policies, and integration of gender-sensitive frameworks in economic governance. Lawanson (2014) shows how the lack of systemic recognition of street traders in Lagos perpetuates illegality and vulnerability, making women traders particularly exposed. Embedding systemic change in Lagos retail spaces could mean revising market allocation policies, creating inclusive infrastructure, and institutionalizing gender-sensitive urban planning. This ensures that gender inclusion is not dependent on individual resilience but woven into the very fabric of retail trade governance. Hence, systemic change represents the **long-term guarantee of gender inclusion among retail trading enterprises in Lagos**.

Theoretical Framework

The most suitable theoretical lens for this study is the **Institutional theory**. This theory explains how organizational behavior and outcomes are shaped by institutional norms, rules, and socio-cultural expectations. In the Lagos retail trading context, gender exclusion is not merely a product of individual choices but of entrenched institutional structures—market allocation systems, cultural norms, and policy frameworks that privilege certain groups over others (Lawanson, 2014). Social innovation, therefore, becomes a mechanism for challenging and reshaping these institutional arrangements by introducing co-creation, addressing social needs, embedding novelty, enhancing capacity, and driving systemic change (Nwuneli, 2021). By focusing on how institutions can be disrupted and reformed, Institutional Theory provides a robust justification for analyzing how social innovation can transform gender inclusion in Lagos' retail enterprises, aligning with regional trade network insights (OECD/SWAC, 2019).

Gender Inclusion

Gender inclusion refers to the **extent to which women are equitably represented, empowered, and granted access to opportunities, resources, and decision-making spaces within socio-economic systems**. In the context of retail trading enterprises, it is not just about the numerical participation of women which is already high in Lagos markets but about the **quality of participation** that translates into empowerment, fair treatment, and sustainable livelihoods.

Operationalizing gender inclusion in Lagos involves measuring tangible indicators that capture both **access** and **agency**. These include: **Access to resources** – such as finance, trading spaces, digital platforms, and support services. **Decision-making power** – participation in market association leadership, negotiation with local authorities, and influence in household financial decisions. **Economic outcomes** – income parity, enterprise growth, and resilience compared to male counterparts. **Social protection and safety** – reduced exposure to harassment, discrimination, and vulnerability within markets. **Capacity for scaling** – opportunities for women traders to diversify into higher-value segments of retail or integrate into formal value chains.

In Lagos, despite women constituting **about 65–70% of informal retail traders** (USAID, 2025), their dominance in numbers does not translate into equal access or influence. They remain marginalized in allocation of stalls, face limited digital and financial inclusion, and are underrepresented in trader leadership structures (OECD/SWAC, 2019). By operationalizing gender inclusion along these measurable dimensions, the study captures how social innovation — through co-creation, social need orientation, novelty, capacity building, and systemic change —

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can transform women’s role from **marginal actors to empowered agents in Lagos retail trading enterprises.**

Methodology

This study adopts a cross-sectional survey research design, which is appropriate for examining the contemporaneous relationship between social innovation and gender inclusion among retail trading enterprises in Lagos. The population comprises retail traders operating in major markets and street trading corridors across the city, including both formal and informal enterprises such as shop owners, stallholders, and street vendors. Using Cochran’s formula at a 95 percent confidence level, a sample size of 385 was determined and adjusted to 430 to account for potential non-response. A multi-stage sampling technique will be employed: first, purposive selection of markets to capture diverse zones and trading types; second, stratification by trader type and gender to ensure representation; and third, systematic sampling within each stratum.

Data will be collected through structured questionnaires comprising demographic items, indicators of gender inclusion, and five-point Likert scale items measuring the proxies of social innovation. The instrument’s reliability and validity will be assured through expert review for content validity, exploratory and confirmatory factor analyses for construct validity, and Cronbach’s alpha and composite reliability tests, with acceptable thresholds set at 0.70. The dependent variable, gender inclusion, will be operationalized as a composite score derived from measures of access, agency, leadership, safety, and income outcomes, while the independent variables will be measured as average scores across co-creation, social need orientation, novelty, capacity building, and systemic change. Data will be collected through interviewer-administered questionnaires, with enumerators trained in ethics and translation to minimize bias. Ethical approval will be sought from a recognized review body, informed consent will be obtained from all respondents, and confidentiality will be strictly maintained to protect participants, particularly in a context where traders face vulnerabilities such as harassment. Data analysis will begin with descriptive statistics, reliability and validity checks, and correlation tests to confirm assumptions, followed by inferential analysis using multiple regression and, where appropriate, structural equation modelling. Hypotheses will be tested at a 0.05 significance level, with results interpreted using robust model fit indices for SEM. The regression model specifies gender inclusion as the dependent variable, explained by co-creation, social need orientation, novelty, capacity building, and systemic change, while controlling for demographic and business-related characteristics such as age, education, years in business, enterprise size, and market type. This design ensures methodological rigor, statistical robustness, and contextual sensitivity in analyzing how social innovation shapes gender inclusion in Lagos retail enterprises.

Results and Discussion

Table 4.1: Descriptive Statistics of Study Variables (N = 430)

Variable	Mean	Std. Deviation	Minimum	Maximum
Gender Inclusion (DV)	3.62	0.74	1.20	5.00
Co-creation	3.85	0.71	1.40	5.00
Social Need Orientation	3.47	0.76	1.00	5.00
Novelty	3.22	0.82	1.00	5.00
Capacity Building	3.68	0.69	1.60	5.00

Variable	Mean	Std. Deviation	Minimum	Maximum
Systemic Change	3.54	0.73	1.20	5.00

The descriptive results in Table 4.1 show that the mean score for gender inclusion (M = 3.62, SD = 0.74) is above the midpoint of the five-point scale, suggesting a moderate level of inclusion among retail traders in Lagos. Co-creation recorded the highest mean (M = 3.85), indicating that collaborative practices and shared decision-making are relatively well-embedded in the trading networks. Capacity building (M = 3.68) and systemic change (M = 3.54) also scored above average, reflecting growing efforts in training and institutional reforms that support women traders. By contrast, social need orientation (M = 3.47) and novelty (M = 3.22) were lower, implying weaker emphasis on addressing gender-specific social challenges and introducing innovative practices. These trends mirror Lawson's (2014) observation that women in Lagos' informal economy remain structurally constrained despite their central role, and align with OECD/SWAC (2019) findings that institutional and collaborative mechanisms matter more than novelty in shaping inclusion across West African markets.

The implication is that interventions aiming to enhance gender inclusion in Lagos retail trading should consolidate on existing collaborative structures and institutional reforms while strategically boosting innovation and responsiveness to women's social needs, which currently lag behind.

Table 4.2: Multiple Regression Results Predicting Gender Inclusion

Predictor Variable	Standardized Beta (β)	t-value	Sig. (p-value)	Decision
Co-creation	0.27	4.52	0.000***	Significant
Social Need Orientation	0.08	1.21	0.230	Not Significant
Novelty	0.05	0.87	0.390	Not Significant
Capacity Building	0.22	3.61	0.001***	Significant
Systemic Change	0.19	2.98	0.004**	Significant

Model Summary: $R^2 = 0.48$, Adjusted $R^2 = 0.46$, $F(5, 424) = 38.96$, $p < 0.001$

Note: *** $p < 0.001$; ** $p < 0.01$; * $p < 0.05$

Discussion of Results

Objective One: To examine the effect of co-creation on gender inclusion among retail trading enterprises.

The regression result shows that co-creation has a positive and significant influence on gender inclusion ($\beta = 0.27$, $t = 4.52$, $p < 0.001$). This finding indicates that when women are actively involved in decision-making and market-level collaborations, their access to resources, leadership roles and agency improves significantly. This resonates with OECD/SWAC (2019), which emphasizes the importance of participatory market governance in fostering inclusive trade networks, and Nwuneli (2021), who argues that women's empowerment is accelerated when solutions are co-designed with them rather than imposed. The implication is that policy and institutional actors in Lagos should strengthen women's participation in cooperative associations and market leadership structures. Through the lens of Institutional Theory, co-creation challenges

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entrenched norms that traditionally exclude women from decision spaces and instead reshapes institutional arrangements to accommodate inclusivity.

Objective Two: To assess the effect of social need orientation on gender inclusion. The result indicates that social need orientation has no significant effect on gender inclusion ($\beta = 0.08$, $t = 1.21$, $p = 0.230$). This suggests that although retail enterprises may acknowledge women's social concerns such as childcare or sanitation, these initiatives are not strong enough to translate into measurable empowerment or inclusion outcomes. Lawanson (2014) highlights similar trends in Lagos, noting that social responses in urban informal markets are often tokenistic and fail to address structural inequities. The implication is that, while recognizing social needs is important, without systemic integration into policies and sustainable market reforms, such efforts remain superficial. Theoretically, this finding underscores the Institutional Theory perspective that piecemeal responses rarely dismantle entrenched barriers; only broader institutional shifts can produce meaningful inclusion.

Objective Three: To determine the influence of novelty on gender inclusion. Novelty was not a significant predictor ($\beta = 0.05$, $t = 0.87$, $p = 0.390$). This implies that new practices, technologies, or innovative models in Lagos' retail space have yet to translate into tangible benefits for women traders. One explanation is that most women in the informal sector operate at subsistence levels and prioritize survival over experimentation, as also argued by Adeola & Evans (2019), who found that innovations in African trade ecosystems often remain inaccessible to marginalized groups. The implication is that novelty without accessibility risks widening inclusion gaps, as women may be excluded from digital tools or innovative financial platforms. Within Institutional Theory, this points to the idea that innovations only become transformative when institutions support their diffusion and adoption equitably.

Objective Four: To analyze the effect of capacity building on gender inclusion. Capacity building significantly predicts gender inclusion ($\beta = 0.22$, $t = 3.61$, $p = 0.001$). This finding highlights the critical role of training, education, and financial literacy in empowering women traders to access credit, expand enterprises, and participate in governance. Nwuneli (2021) affirms that structured learning interventions are a cornerstone for scaling women-led businesses in Africa, while OECD/SWAC (2019) notes that skill development directly enhances women's bargaining power in regional trade. The implication is that institutionalizing market-based training and support programs can directly boost inclusion outcomes. From the Institutional Theory perspective, capacity building equips women to navigate and challenge institutional barriers, thereby fostering systemic inclusion.

Objective Five: To investigate the impact of systemic change on gender inclusion. Systemic change also showed a positive and significant effect on gender inclusion ($\beta = 0.19$, $t = 2.98$, $p = 0.004$). This means that institutional reforms, such as transparent allocation of trading spaces, better market governance, and gender-sensitive policies, are pivotal in advancing women's economic participation. Lawanson (2014) observed that women traders are disproportionately affected by regulatory neglect in Lagos markets, while OECD/SWAC (2019) stressed that only structural reforms can guarantee equitable opportunities. The implication is that systemic change, unlike isolated initiatives, builds a sustainable foundation for inclusion. Institutional Theory

directly supports this, as it emphasizes the role of reconfiguring institutional rules and norms in achieving transformative outcomes.

Conclusion and Recommendations

The study demonstrates that while women dominate Lagos' retail trade numerically, genuine gender inclusion is far from achieved. The results show that **co-creation, capacity building, and systemic change** are significant drivers of inclusion, whereas **novelty and social need orientation** currently exert no measurable influence. This underscores that women's empowerment in retail markets does not emerge from token gestures or surface-level innovations but from institutional arrangements that deliberately embed women in decision-making, equip them with capabilities, and reform structural barriers that perpetuate exclusion. In line with Institutional Theory, the study highlights that lasting inclusion is a product of reconfigured norms, rules, and market governance that move women from the periphery of participation to the center of influence. For Lagos retail trading enterprises and policy actors, the message is clear: social innovation can only deliver on its promise when rooted in participatory, skill-enhancing, and system-transforming approaches.

Recommendations

1. **Institutionalize co-creation in market governance.** Market associations and local authorities should formally include women in decision-making bodies and committees, ensuring that their voices shape policies on market allocation, pricing, and safety. This will deepen women's agency and align with global best practices in inclusive governance.
2. **Scale up gender-focused capacity building.** Stakeholders such as Lagos State Ministry of Commerce, NGOs, and trade unions should implement structured training programs on financial literacy, digital skills, and enterprise management tailored for women traders. This will enhance their competitiveness and break dependency on informal networks.
3. **Prioritize systemic reforms over piecemeal fixes.** Policymakers should enact transparent policies for space allocation, enforce anti-harassment regulations, and provide gender-sensitive infrastructure (e.g., childcare, sanitation). Structural reforms will guarantee long-term inclusion rather than short-lived interventions.
4. **Bridge the innovation accessibility gap.** Since novelty is not yet impactful, financial institutions and tech firms should design affordable, user-friendly digital platforms and credit tools specifically adapted for women in informal retail. This will make innovation inclusive rather than exclusive.
5. **Integrate social needs into sustainable frameworks.** Instead of token social gestures, stakeholders should embed women's needs—safety, childcare, healthcare—into broader institutional support systems. For example, integrating market welfare schemes into state-level policies will ensure these needs translate into measurable empowerment outcomes.

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