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## **An analysis of the participation of women entrepreneurs in the mainstream economy of South Africa.**

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**AN ANALYSIS OF THE PARTICIPATION OF WOMEN ENTREPRENEURS IN  
THE MAINSTREAM ECONOMY OF SOUTH AFRICA:**

by

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Submitted in partial fulfilment of the requirements for the degree.

**MASTERS: COMPARATIVE LOCAL DEVELOPMENT**

in the

Institute for Economic Research on Innovation

Department of Economics

FACULTY OF ECONOMICS AND FINANCE

**TSHWANE UNIVERSITY OF TECHNOLOGY**

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## DECLARATION

I, Ramadimetja Lekganyane, hereby declare that this mini dissertation is wholly my work and has not been submitted anywhere else for academic credit either by myself or another person. I understand what plagiarism implies and declare that this mini dissertation represents my ideas, words, phrases, arguments, graphics, figures, results and organisation except where reference is explicitly made to another's work. I understand further that any unethical academic behaviour, which includes plagiarism, is seen in a serious light by Tshwane University of Technology and is punishable by disciplinary action.

Signed  \_\_\_\_\_

Date: 13 December 2023

## **DEDICATION**

I dedicate this thesis to my friend Pemy Gasela whose support throughout the rollout of this project was priceless.

## **ACKNOWLEDGMENT**

My heartfelt thanks go to my supervisor, **Dr Esther Makhetha**, and my children who helped me immensely in every phase of the project evolution.

## **ABSTRACT**

The primary concern of this study is that although the mainstream economy is where real economic power and intrinsic empowerment value lie, new evidence show that the majority of women entrepreneurs in South Africa (SA) lack the right mix of skills, resource leverage and fiscal support to penetrate it. The mainstream economy referred to high value sectors such as manufacturing, agro-processing, commercial agriculture, tech enterprises, financial services, organised retailing, mining etc.

To better understand the underlying factors hindering women entrepreneurs from making a notable mark in the mainstream economy, a qualitative inquiry that utilised the desktop study was conducted. Subsequently, the data was subjected to thematic analysis to gain a wide-eyed understanding of women empowerment trends in SA's mainstream economy.

The study found that the low participation parity of women entrepreneurs into the mainstream economy of South Africa is triggered by a composite of factors. These factors were sub-divided into two main parts, .i.e. internal factors such as (a) high levels of illiteracy, (b) lack of funding, (c) lack of skills, (d) lack of courage and (e) a culture of inferiority complex, external factors such as (a) lack of gendered incentives to level the playing field; (b) lack of a strong political will to elevate women entrepreneurs; (c) lack of a gendered fiscal framework; and (d) the patriarchal nature of the mainstream economy.

The study advocates for a multipronged strategy not only to equip women entrepreneurs with the right mix of requisite skills, entrepreneurial acumen and mental strength but also to eliminate structural and cultural barriers that continue to discourage women entrepreneurs from penetrating the mainstream economy.

**Key words: mainstream economy, participation parity, women entrepreneurs, women empowerment.**

## ACRONYMS

|                 |   |
|-----------------|---|
| <b>DSBD</b>     | Department of Small Business Development  |
| <b>GAD</b>      | Gender and Development  |
| <b>NDP</b>      | National Development Plan   |
| <b>NEF</b>      | National Empowerment Fund   |
| <b>SA</b>       | South Africa  |
| <b>SDGs</b>     | Sustainable Development Goals   |
| <b>SEDA</b>     | Small Enterprise Development Agency   |
| <b>WAD</b>      | Women and Development   |
| <b>WEF</b>      | Women Empowerment Fund  |
| <b>WID</b>      | Women in Development  |
| <b>GRPBMEAF</b> | Gender-responsive Planning, Budgeting, Monitoring. & Evaluation,<br>Audit Framework |

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## **CHAPTER 1: INTRODUCTION OF THE STUDY**

### **1.1. INTRODUCTION**

Chapter 1 sets the contextual tone of the study by briefly outlining its background, problem statement, research objectives and significance to the body of knowledge and defining the terms that underpin its theoretical construct. Lastly, the chapter provides a brief overview of the report's structure.

### **1.2. CONTEXT**

The war against the lack of meaningful participation of women entrepreneurs in the mainstream economy is not new; it dates back to the early 1900s when a group of female professionals in the United States of America (USA) forged a coalition against women exclusion in the mainstream economy (Kelley *et al.* 2017). Since then, the struggle continue to gain traction across the globe. In South Africa (SA), the topic is an old-aged debate that continue to occupy the public discourse. What continues to liven up this debate is that despite constituting 52 per cent of the total population, the participation parity of women in the mainstream economy is relatively low compared to that of men (World Bank, 2022). Interestingly, the mainstream economy and not the informal sector is where real economic power and better empowerment prospects lie.

The low participation parity imposes two implications to the current gender policy i.e. (a) it underscores the need to rethink ongoing strategies to capacitate and elevate women entrepreneurs, and (b) it underlines the need to urgently reset current participation parity strategies to maximise their gender impact and empowerment value, thus, ensuring that more women entrepreneurs are equipped with much-needed skills and resources to excel in so-called high rewarding sectors.

Empirical evidence shows that achieving these two aims in a country like SA with an embedded patriarchal culture is almost an impossible mission. In practice, the road towards the meaningful empowering of women entrepreneurs is beset by numerous obstacles, suggesting that until these obstacles are empirically identified, thoroughly understood and totally eradicated, the chronic challenge of exclusion will still persist, albeit at an alarming rate.

This does not mean that there were no modest gains made by women empowerment lobbyists in the past. Since 1994, SA made moderate strides in promoting the participation of women entrepreneurs into high value sectors (Nkomo and Boysen, 2010). In concurrence, Segalo (2015) posit that successive administrations made remarkable attempts to reform the mainstream economy with the view to remove barriers of entry and to level up the playing field. The campaign to place women entrepreneurs at the heart of rewarding sectors gathered steam in the late 1990s when more lobby groups were established. These lobby groups vigorously campaigned for the meaningful participation of women entrepreneurs in critical sectors like commercial agriculture, engineering and mining etc. Examples of such lobby groups were Women in Mining, Women in Agriculture, and Women in Engineering, South African women Entrepreneurs network (SAWEN) etc.

However, whilst the formation of these lobby groups was well-received and roundly supported and funded by the government, new evidence show that most of them were ineffective and less impactful due to inter-alia, (a) lack of effective gender advocacy and lobbying skills, (b) stiff resistance from the private sector, (c) overreliance on government grants to fund their campaigns, (d) lack of deep appreciation of the embedded nature of the gender disparity problem and (e) their inability to reach out

to women entrepreneurs based in rural and township areas, making them detached from the daily struggles of rural based women entrepreneurs.

Despite recording modest gains and scoring small victories in their campaigns, supporting evidence show that most women in SA still find it hard to penetrate high value sectors mainly due to gender-based obstacles. The sad reality which this study addressed is that most women entrepreneurs in SA are crowded in sectors that do not generate meaningful economic impact and shareholder value. For example, a recent study by the Competition Commission (2023) show that 68 per cent of women entrepreneurs in SA are active in the less attractive informal sector. If that figure is compared to the 15 per cent that participate in the mainstream economy, one can see that the gender participation gap is both wide and untenable. Worse still, according to the same study, on average, businesses operating in low value sectors earn less than R500, 000 per annum compared to those in the mainstream economy that rakes not less than R50 million revenue per annum (Competition Commission, 2023).

The fact that most women entrepreneurs are confined in so-called low value sectors despite multifaceted attempts in the past to change the status quo remains one of the key concerns of this study. Moreover, the lack of a revolutionary strategy to break the glass ceiling has been repeatedly identified by Sajjad, Kaleem, Chani and Ahmed (2020) and the World Bank (2020) as a major compounding factor.

Against this backdrop, this study seeks to identify the factors that perpetually hinder women entrepreneurs from meaningfully participating in the mainstream economy with the view to formulate an evidence-based strategy to maximise their participation

in sectors which many consider offering lucrative empowerment deals and shareholder value.

### **1.3. PROBLEM STATEMENT**

Ongoing strategies to thrust women entrepreneurs into the mainstream economy are evidently not yielding meaningful impact hence the growing calls to rethink existing solutions to maximise their participation parity. The World Bank (2022) and Fourie (2018) all concur that the lack of participation of women entrepreneurs in the mainstream economy persists despite past undertakings to drive more female entrepreneurs into that space. This is a clear indication that existing solutions have failed to break the vicious cycle of gender inequality (Anik & Rahman, 2021). This is confirmed by a study done by the International Finance Corporation (IFC) in 2022 which found that between 5.3 and 6.6 million female-owned start-ups in Africa lacked the necessary leverage and pedigree to compete in capital-intensive industries.

Moreover, a study by the Department of Small Business Development (DSBD, 2023) cautions that despite the government's impressive women empowerment programs, 78% of women-owned start-ups with interest in the mainstream economy seem to fail within the first five years of their formation. This is another strong sign that existing strategies to elevate female-owned start-ups to lucrative sectors are manifestly ineffective and less impactful (DSBD, 2023).

Worse still, this revelation came at a time when many women-owned enterprises were facing post-pandemic viability problems (IFC, 2022). What differentiates this study is that unlike previous studies that prescribe what appears to be largely imaginary and abstract solutions to a raging problem in society, it offers practical solutions that are not only novel and tangible but also measurable, using South Africa-specific evaluation metrics.

#### **1.4. RESEARCH OBJECTIVES**

The research objectives consist of one main objective and two secondary objectives.

##### **1.4.1. Main Research Objective**

To identify underlying factors hindering the meaningful participation of women entrepreneurs in the mainstream economy in SA.

##### **1.4.2. Secondary Objectives**

- (a) To evaluate the effectiveness of ongoing strategies to elevate the women entrepreneurs into the mainstream economy.
- (b) To recommend strategies to improve women's participation in the mainstream economy.

#### **1.5. MAIN RESEARCH QUESTION**

The following main research question guided the inquiry:

What are the factors hindering women entrepreneurs from meaningfully participating in the mainstream economy in SA?

##### **1.5.1. Secondary Research Questions**

- (a) What is the effectiveness of ongoing strategies to improve the participation of women entrepreneurs in the mainstream economy?
- (b) What recommendations may be implemented to ensure women entrepreneurs meaningfully participate in the mainstream economy?

#### **1.6. DELIMITATION OF THE STUDY**

The intention was to focus exclusively on gendered barriers inhibiting female-owned enterprises from meaningfully participating in the mainstream economy of South Africa. Female-owned enterprises outside South Africa were excluded due to limited time and finances.

## **1.7. SIGNIFICANCE OF THE STUDY**

To alleviate the triple crisis of poverty, unemployment and inequality, the need to usher more female entrepreneurs into the mainstream economy cannot be over-emphasised. This study subscribes to the notion that the future of South Africa's economy lies in its well-capacitated and profit-driven female entrepreneurs. This study therefore lays a strong foundation for developing and implementing data-based and evidence-driven strategies to propel more female entrepreneurs into the mainstream economy. Additionally, by uniting women empowerment agencies in the country behind a shared vision and strategy, the study may also inspire these agencies and policymakers to develop a common approach to the holistic capacitation of females seeking to penetrate mainstream sectors.

The primary focus of the study was to build a strong case for nurturing resilient and opportunity-minded female entrepreneurs across all economic sectors. Thus, the study sought to place female entrepreneurs in the driving seat of ongoing efforts to transfer factors of production into their control and ownership. Other scholars may build on the findings of this study when doing research of a similar nature in the future.

## **1.8. DEFINITION OF KEY TERMS**

A total of five concepts that shapes the discourse of this study have been identified and defined below.

### **1.8.1. Entrepreneur**

Herrington *et al.* (2016) describe an entrepreneur as an enterprising individual who specialises in identifying money-making opportunities and then taking calculated steps to convert those opportunities into value and wealth. This explains why entrepreneurs are generally referred to as risk takers or opportunity seekers and innovators (Herrington *et al.*, 2016).



### **1.8.2. Women entrepreneurs**

In this study, the term of women entrepreneurs refers to ambitious women with a strong desire to turn business ideas into products and services with the intention to solve an identified problem in society at a profit.

### **1.8.3. Informal economy**

An informal economy is described by Alzahrani (2014) as a micro business that employs fewer than 10 people and in most cases is not registered and does not pay tax. Examples of such enterprises participating in the formal economy are catering, food vending, Spaza shops, vegetables growing, small scale chicken production, sewing, salon etc.

### **1.8.4. Mainstream economy**

The term mainstream economy refers to a high margin and high value economy which is not only capital intensive but also highly structured and technology-driven (Alzahrani, 2014). In most cases, this economy is dominated by firms that enjoy unlimited access to resources in the form of cash, skills, machinery and technology. Examples of actors in the mainstream economy are large-scale commercial agriculture, manufacturing and agro-processing industries, mining, banking etc.

### **1.8.5. Women's economic empowerment**

The process of "conscientisation" builds critical analytical skills for women to gain self-confidence in order to take control of their economic destinies. Empowerment of women is an essential process in the transformation of gender relations because it addresses the structural and underlying causes of subordination and discrimination (Competition Commission, 2023).

Empowerment also refers to a situation where women and men have equal conditions for realising their full human rights and potential; are able to contribute equally to national political, economic, social and cultural development; and benefit equally from the results. Gender equality entails that the underlying causes of discrimination are

systematically identified and removed to give women and men equal opportunities. The concept of gender equality considers women's existing subordinate position within social relations and aims at the restructuring of society so as to eradicate male domination. Therefore, equality is understood to include both formal equality and substantive equality; not merely simple equality to men (Competition Commission, 2023).

## **1.9. CHAPTER OVERVIEW**

The report consists of the following five chapters:

**Chapter 1** which sets the tone of the study by outlining its background and context, problem statement, research objectives and significance to the current body of knowledge, as well as its delimitations.

**Chapter 2** which provides a comprehensive review of existing literature on women's participation in the mainstream economy. The chapter also outlines some of the challenges, drivers and hurdles that women in business face and gives a summary of how such challenges can be addressed.

**Chapter 3** summarises the methodology that was used to collect, process, code and analyse vital study data.

**Chapter 4** presents the results or study findings. These findings are not only premised on secondary evidence retrieved from archival sources but also summarised in narrative format to enhance their readability and appeal.

**Chapter 5** comprises the conclusions as well as the recommendations of the study. Most importantly, the chapter highlights the contribution of the study to the body of knowledge and offers suggestions for future research.

## **CHAPTER 2: LITERATURE REVIEW**

### **2.1. INTRODUCTION**

Leedy and Ormrod (2015) state that the literature review serves two main purposes, namely to draw insights from the arguments of authors who explored the same phenomenon and to benchmark these ideas with key findings of the study. The idea is to lay the foundation for the theoretical direction of the study. Against this backdrop, the chapter is divided into four thematic areas, namely thematic area 1 which sets the contextual tone of the chapter, thematic area 2 which examines the women empowerment trends at national and international levels, thematic area 3 which discusses underlying factors that hinder female-owned enterprises from participating in the formal economy and thematic area 4 which provides possible remedies to the problem of women's marginalisation in the formal economy.

### **2.2. CONTEXT**

Women empowerment as a progressive concept that is gaining considerable traction and momentum across the globe is influenced by numerous theories and worldviews, the majority of which were conceptualised in the 1960s by loosely organised but radical and influential feminist movements (Greenfield, 2018; Hansen, 2015; Gelfand, Raver, Nishii, Leslie, Lun & Lim, 2019). However, as these theories evolved, the task of spreading the gospel of women's empowerment was taken over by highly globalised and well-funded multilateral institutions. Gelfand *et al.* (2019) report that the concept was later exported to various parts of the world via influential multilateral bodies such as the United Nations, the World Bank and the International Monetary Fund.

In the view of Grabe (2018), the resolutions of the famous UN-backed Beijing Conference which took place in 1995 had far-reaching implications for the global women's empowerment movement. Since that conference, the campaign assumed a human rights approach and character, thus, most governments were pressured by post conference lobby groups to treat the subject of women empowerment as a top human rights priority.

Thanks to the Beijing conference, women's empowerment is now a top constitutional matter and human rights issue in many countries (Gelfand *et al.*, 2019). For example, Chapter 2 of the South African Constitution includes the right to gender equality and human dignity in its Bill of Rights. Moreover, in mature democracies and progressive societies, women's empowerment has since ceased to be a mere feminist subject Garikipati, Agier, Guérin and Szafarz (2016).

In its ideal state, the concept of women's empowerment is built on universal ethos of equality, human dignity and social justice. Lately, the concept has graduated to include ideals such as economic equity and justice. In a country like South Africa known for its long history of racialised economic policies and segregated development, the idea of propelling women entrepreneurs to the upper echelons of resource ownership and control is now a longstanding national imperative (Zohra & Gifford, 2020).

For instance, Phumla Williams (Williams, 2019), the Director of the Government Communications and Information System (GCIS) in South Africa, insists that empowering women is now a critical step towards the total dismantling of apartheid's exclusionary policies:

*“The empowerment of women in South Africa is about dealing with the legacy of apartheid and the transformation of society,*

*particularly the transformation of power relations between women, men, institutions, and laws. It is also about addressing gender oppression, patriarchy, sexism, and structural oppression”.*

The concept of pushing more women into the mainstream economy is often inspired by firstly, so called push factors, i.e. the pressure for women to escape the harsh realities of poverty, inequality and unemployment and secondly, by pull factors, i.e. their desire to make money and build real wealth for themselves, their families and communities.

The question of why making women empowerment is still a topical issue in SA’s public discourse was addressed by the Competition Commission (2023) when it argued that by promoting the meaningful participation of women into the mainstream economy, the government places itself in a commanding position to address the scourge of gender based violence (GBV) especially given that many incidences of GBV in SA are linked to poverty and gender inequality (Competition Commission, 2023).

Moreover, the Commission argues that building the competitive capacities of women entrepreneurs enable them not only to improve their livelihoods but also to guarantee the welfare of their families and secure the economic future of the next generation. Similarly, the World Bank (2022) postulates that women are not only the backbone of a country’s economic activity but also key underwriters of localised development. Most importantly, a study by the IFC in 2021 reveal that women entrepreneurs play a vital role in job creation, income generation, and revenue growth, thus, making them a recognisable force in driving transformation.

However, despite this widely recognised fact, most women entrepreneurs face the daunting task of breaking the cycle of gendered exclusion. This view is corroborated by studies done by the International Monetary Fund (IMF) (2022), World Bank (2022)

and Duarte, Bressan, Kok, Sakellarios, Koresis, O'Shea, Buitrago Solis and Santoni (2021).

For instance, Duarte et al (2021) also echoed by IMF (2022) reports that despite representing 49.6% of the world's population, women account for only 40.8% of active participants in mainstream economy, suggesting that the playing field is still tilted against them. In a related study, the IMF (2022) found that out of the 60% of small businesses that applied for Covid-19 relief funds, only 6% that received the funds were female-owned, whilst the rest were male-owned. Similarly, Duarte *et al.* (2021) warn that female-owned enterprises were more prone to financial exclusion during the pandemic than their male counterparts.

In agreement, the Department of Small Business Development (DSBD) found that a female-owned business was more likely to fail within the first five years of its existence than that owned by a male entrepreneur (DSBD, 2023). The study further revealed that the majority of enterprises that fail before they reach five years were not only in the informal sector but also operate in labour-intensive sectors, hence are less dependent on technology and automation. In light of this, the ensuing section provides an elaborate discussion on some of the global trends that influence the local women empowerment context.

### **2.3. Global trends in women empowerment**

At the global level, a recent study by Khan and Gifford (2020) showed that unlike in Africa, where females work in the low-paying and gender-stereotyped industries, women in Europe and the United States are occupying top positions in the formal economy. Fourie (2018) postulates that due to the acute funding constraints of women-owned enterprises and erratic support from development agencies, the majority of women entrepreneurs in Africa are clustered in low-technology industries with low entry barriers and relatively low financial leverage.

According to Khan and Gifford (2020), the exclusion of female-owned businesses is not peculiar to Africa; it's a phenomenon experienced by all women across the globe. The World Bank (2022) warns that the challenges encountered by women-owned firms in Latin America and Asia are similar to those of enterprises owned by women operating in Africa. For example, Lee (2020) found that most female-owned enterprises in Asia and Latin America operated in so-called low capital-intensive and consumer-based sectors such as restaurants, lodges, fruit marketing and transport.

The study also established that women-owned enterprises based in Latin America, Asia and even in some parts of Europe found it extremely hard to penetrate mainstream industries like forestry, fishing, extraction, manufacturing and construction. Further to this Lee's (2020) report notes that women are also underrepresented in the technology-aligned sectors due to their high capital intensiveness. Consequently, although women constitute 49.6% of the world's population, they comprise only 40.8% of the global workforce (Katare *et al.*, 2021).

According to Lee (2020), the majority of female-owned firms in the Middle East and Brazil are confined to low-growth and low-profitability sectors like retail, arts and crafts, event management, catering, market gardening and fruit vending. Women-owned enterprises are rarely found in higher value and competitive sectors such as manufacturing or information and communications technology (ICT). Katare *et al.* (2021) confirm that approximately 2% of female-owned enterprises in the Middle East have an interest in the ICT sector – implying that the sector is dominated by males.

It is clear from the above analysis that African women in business are restricted to what is commonly referred to as “gendered” or “feminised” economic sectors. These sectors comprise mostly low-margin and low-volume businesses such as vegetable

selling, fashion design, baking, restaurants, hair salons and arts and crafts. Katare *et al.* (2020) argue that these sectors have no real empowerment effect.

### **2.3.1.1. International examples**

The following provides a summary of three international examples of programs that were implemented to improve the participation parity of women entrepreneurs in the mainstream economy.

#### **1. Results-based initiatives**

As part of its Gender Action Plan (GAP), the World Bank joined hands with the International Centre for Research on Women (ICRW) and the United Nations Development Fund for Women (UNIFEM) to launch a four-year outcome-based programme to advance the economic and financial interests of female entrepreneurs in Peru, Egypt, Liberia, Kenya, Laos and Cambodia. Key elements of the programme included grant funding, technology transfer initiatives and training for self-reliance programmes. The programme was credited with changing the financial fortunes of many female-owned enterprises, thereby paving the way for them to compete in high-value export markets.

#### **2. Women's Economic Opportunity Initiative**

ExxonMobil's flagship technology linkage initiative which was launched under the auspices of its Women's Economic Opportunity Initiative (WEOI) is a renowned incubator of female entrepreneurs with an interest in hi-tech ventures. The initiative is credited with producing combat-ready female techpreneurs, most of whom set up some of the fastest-growing technology firms in Asia. Besides unlocking technology acquisition opportunities for young female entrepreneurs, the programme was credited with empowering them with mission-critical skills.

#### **3. Department for International Development initiative**

Regarded as a shining example in the global push for total empowerment of female entrepreneurs, the UK-backed Department for International Development (DFID) partnered with the ICRW to craft a protocol for economic empowerment to guide the



implementation of game-changing female empowerment projects in India, Bangladesh, Nepal, Cambodia and Laos. The protocol is now used as a guide by many countries running ambitious women empowerment schemes.

### **2.3.2. Women empowerment trends in Africa**

The World Bank (2022) assert that the concept of women in business in Africa is not new. Rather, it is a phenomenon that dates back to the 13<sup>th</sup> century when women used to be prominent gatherers and barter traders of wild fruits, crafts and beads.

As noted by Baltenweck *et al.* (2021), the only change is that women (although few of them) are now participating in sectors that used to be a preserve for males. Smit and Watkins (2012) assert that diverse reasons propel women into business in Africa. These include the desire for economic independence, employment, job creation and job satisfaction (Anik & Rahman, 2021). In concurrence, Atkinson, Dietz and Neumayer (2009) postulate that the fight against poverty is at the core of the reasons why women in Africa venture into business.

The long held belief in Africa is that the fight against poverty cannot be won if women are not an integral part of the fight. Smit and Watkins's (2012) validate this view by warning that no African country can emancipate itself from the shackles of poverty if its women entrepreneurs are not at the forefront of the struggle. This explains why women and girls are the heart of the SDGs. For example, SDG 5 is clear on the need for African countries to place women entrepreneurs at the backbone of the fight against poverty and gender inequality (Struckmann, 2018).

However, despite past and ongoing efforts to position women in the centre of the mainstream economy in Africa, a recent report by the Global Entrepreneurship Monitor (GEM) noted with concern how many females' enterprises in the continent

remained mired in low-growth, low-margin and consumer-oriented sectors (GEM, 2021). This is a strong indication that most enterprising women in Africa wishing to penetrate the mainstream economy are less represented in lucrative sectors where real empowerment lie. The same GEM (2021) report argues that while women play a critical role in the fight against poverty, very few countries in Africa have made notable progress in transforming women entrepreneurs into a real economic force.

Unlike their male counterparts, many women-owned enterprises across African countries do not enjoy the many dividends offered by the mainstream economy partly due to its patriarchal nature and partly due to how this economy is structured (Blancher, 2019).

An empirical analysis of women empowerment data released by the World Bank in 2021 gives credence to this assertion. For example, data showed that although women under the age of 25 years made up more than 50% of the sub-Saharan population, most of them were excluded from participating in the mainstream economy due to many underlying factors (World Bank, 2022).

Widely acknowledged factors include inter-alia,

- (a) The continent's history of patriarchal domination which discourage women from pursuing their entrepreneurial dreams (Khan & Gifford, 2020),
- (b) Lack of skills and high incidences of illiteracy among African women which impede them from unleashing their maximum entrepreneurial potential (Grabe, 2018),
- (c) Burdensome regulations which many women entrepreneurs find hard to comply with (Gelfand, Raver, Nishii, Leslie, Lun & Lim, 2019),
- (d) Lack of finance which hinder them from penetrating capital intensive industries (Hayes, 2014).

Equally interesting, a study conducted by the GEM in 2022 painted an even bleaker picture. For example, women based in 40% of African economies were found to have lower early-stage entrepreneurial activity than men (GEM, 2022). Recent data published by IFC in 2022 paint a pessimistic picture of women's empowerment in Africa. According to the data, women in Africa own less than 30% of all financially viable ventures across all sectors of the economy. This figure is a far cry from Brazil's 60% and India's 65% (World Bank, 2022). Moreover, the data highlight that the economic participation rate of women in Africa is 7.8% compared to 13% in middle-income countries like India and Brazil.

On a positive note, it is encouraging to note that a number of African countries are making great strides in promoting the participation of women in the mainstream economy. Ghana, Kenya and Egypt are some of the countries with progressive women empowerment programs. For example, in 2022 alone Egypt increased its gender budgets by 70 per cent, thereby helping more than 20 000 women owned enterprises to acquire state of the art digital technologies and manufacturing equipment (World Bank, 2022).

On the other hand, the World Bank (2022) reports that Ghana spend more than US\$300 million over a period of three years to render technical and digital skills training to women owned enterprises. Meanwhile, the same report point out that Kenya allocated more than US\$100 million to support women-owned startups in manufacturing and fishing sectors. However, despite these strides, the World Bank (2022) lament that these countries lack the political will to measure the empowerment effect of these programs, leading some to question their value for money.

Two important insights can be drawn from these insights. First, it appears that compared to their counterparts in Europe that systematically measure the impact of their women empowerment programs, Africa countries lack the appetite for such. Secondly, it seems that African countries lacks political will and boldness to turn women empowerment rhetoric into to concrete action, suggesting the need for the African Union's gender desk to ramp up efforts to catalyse women's economic empowerment.

#### **2.4. LEGISLATIVE ASPECT OF GENDER EMPOWERMENT IN SA**

It is encouraging to note that SA's leading women empowerment constructs are premised on laws that seek to embed women empowerment in all legal frameworks, suggesting that policy makers have the primary duty to ensure that the issue of gender equality find full expression in all pieces of legislation enacted by parliament and other legislative bodies. To this end, the following is a summary of some of these laws.

South Africa has some of the most progressive women empowerment imperatives in Africa, most of which were created not only to amplify the economic voice of women but also to give real effect to Section 9 of the Constitution of the Republic of South Africa, 1996. Section 9 enjoins the South African government to place women at the front and centre of economic opportunity by among other things, eliminating laws and practices that discriminate against women in the economic space (Mpunzana & Mofokeng, 2023), promoting and driving pro-women affirmative action programmes (Mudau & Obadire, 2017), building and leveraging the livelihood capacity of women to level the playing field (Struckmann, 2018), joining forces with other progressive organisations to rally the nation behind a shared women's empowerment journey (Mpunzana & Mofokeng, 2023) and transforming women into proponents of real social and economic change (Carvalho, 2022).

It is important to note that since 1994, the South African parliament deliberately took progressive steps to give practical effect to section 9 of the Constitution by enacting the Women Empowerment and Gender Bill. The bill seeks to drive gender equality in all spheres of the economy, thus, making it mandatory the government and the private sector to treat gender equality as a top policy priority (Mpunzana & Mofokeng, 2023). The bill further enjoins private and public organisations to create an enabling environment for women empowerment by among other things, (a) removing gendered barriers (Carvalho, 2022), (b) implementing gendered training programs (Mudau & Obadire, 2017), (c) elevating women in all key decision-making structures of the economy (Carvalho, 2022) and (d) rethinking existing women empowerment policies to improve impact.

#### **2.4.1. Gaps in gendered legislation**

Whilst the legislative-led women empowerment discourse sounds plausible (Mpunzana & Mofokeng, 2023), such a discourse requires a strong political will (Carvalho, 2022) and the backing of an effective enforcement machinery across all sectors of the economy (Centre for Social Development in Africa [CSDA], 2019) to yield the desired results. However, Mudau and Obadire (2017), echoed by CSDA (2019), lament that the current breed of business and political leaders in SA is not bold and brave enough to translate the good intentions expressed in these laws into concrete steps, actions and results. In other words, progressive laws and policies serve no purpose if bold and measurable steps are not taken to actualise them (CSDA, 2019). The CSDA (2019) further implores government leaders to join hands with civil society formations and industry leaders to drive a harmonised and action-oriented women empowerment campaign.

## **2.5. LEADING GENDER EMPOWERMENT PROGRAMMES IN SA**

SA is not short of what Mpunzana and Mofokeng (2023) refer to as well-articulated women empowerment programmes. Struckmann (2018) agrees, noting that the post-1994 era witnessed the mushrooming of women empowerment agencies, most of which were funded and driven by government through the Department of Women, Youth and Persons with Disabilities.

Exclusive women empowerment agencies worth mentioning are inter-alia:

1. Gender Commission which is a Chapter 9 institution tasked with the mammoth responsibility to promote and enforce gender equity and equality across all sectors of the economy and society,
2. Women in Mining (WIM), which advocates for women's meaningful participation in the mining industry and,
3. Women in Construction (WIC) which campaigns for the removal of barriers to women's entry into the lucrative construction industry.

These organisations have not only proved to be seasoned crusaders of women economic empowerment but also prolific amplifiers of women voices in the mainstream economy.

Recently, the DSBD developed the Gender Equality, Youth and Disability (GEYODI) program which seeks to integrate the concerns and experiences of the targeted groups into the design, implementation, monitoring and evaluation of policies and programmes of the department and to ensure that they benefit equally and optimally (DSBD, 2023).

Moreover, the Small Enterprise Development Agency (SEDA), in conjunction with the International Trade Center has set up a hub in South Africa that help local women

entrepreneurs to increase their global networks, thus, catalysing their entry into lucrative global markets (SEDA, 2023). Under the SheTradesZA digital platform, local women entrepreneurs are now in a commanding position to increase their global reach and influence. As at 2023, the platform connected at least 50 000 women-owned businesses to global markets by 2023. This is part of the country's contribution to the ITC goal of connecting three million women-owned businesses to global markets.

Other programs targeting women entrepreneurs include the National Empowerment Fund's (NEF) Women Empowerment Fund (WEF) which advances loans ranging from R250,000 to R75 million to women-owned ventures. The goal of the fund is to catapult more women into the mainstream economy by giving them access to affordable funding (NEF, 2024).

### **2.5.1. Gaps in women empowerment programmes**

The majority of these programs are fragmented and based on piecemeal interventions leading to Struckmann (2018) to question their real impact. Calvalho (2022) notes that women empowerment programmes remain a critical pivot and lever for achieving SDG goals, but most of these programmes are either poorly coordinated or funded, thereby undermining their empowerment value. One hurdle that is widely cited is the persistent failure by women empowerment agencies to work as a cohesive force and unit (Struckmann, 2018).

The silo mentality is repeatedly blamed for fragmenting and duplicating interventions, thereby undermining the quality of their impacts (Mpunzana & Mofokeng, 2023). Worse still, Iwu, Sibanda and Makwara (2022) report that the majority of genuinely deserving women-owned ventures lack the technical expertise to unlock real value from these interventions. Moreover, Struckmann (2018) maintains that the biggest threat to the women empowerment movement in SA is its inability to articulate and

drive a shared women empowerment vision and the lack of national consensus on the best approach to bridge the gender gap in the mainstream economy.

## **2.6. BARRIERS TO WOMEN EMPOWERMENT**

Several reasons are offered for the low participation parity of women entrepreneurs in the mainstream economy. Commonly cited ones include the patriarchal set-up of the economy, lack of political will at the top, high illiteracy rates among women, lack of genderised financial support and an operating environment that is generally hostile to start-ups owned by women Blancher,(2019; International Finance Corporation [IFC], 2022). The barriers are discussed in detail below:

### **2.6.1. Patriarchal Limitations**

The influence of patriarchal beliefs in worsening the plight of women in business was highlighted by Molinier (2019) when she pointed out that enterprising and progressive women in South Africa are still fighting a protracted battle against a deep-seated patriarchal system that constantly make it hard for them to access, own and control the means of production. In other words, the road towards the total economic emancipation of women is still plugged by patriarchal-driven detours and obstacles. This is so SA inherited a patriarchal society that treat women as second-class citizens with no rights to own and control the factors of production like capital, land, skills and labour. In past it was considered a taboo for women to either own land or to sell it. Although reforms were made since 1994 to change the land ownership discourse, it seems like these patriarchal beliefs are so rooted in society that eradicating them totally will take ages.

### **2.6.2. Financial limitations**

The issue of gender disparity in the current global financial order was put under the spotlight by the research conducted by Anik and Rahman in 2021. The study found that certain banks charged women higher interest rates than their male counterparts,



even though women are generally known to have low default rates (Anik & Rahman, 2021). A similar study conducted by Jamaani (2021) noted with concern that the lending system used by many banks in the United States was marred by gender stereotyping and prejudices.

Cirera, Cruz and Davies (2020) confirm that the problem of genderised stereotyping is a common phenomenon in the global financial system. In a recent case in point in South Africa banks, lenders were under fire for repeatedly failing women-owned enterprises. According to Jesse, Sjoerd and Erik (2021), female-owned ventures are 10 times more likely to receive a loan application rejection letter than those of their male counterparts. This clearly indicates that unlike men, women bear the harsh realities of financial exclusion.

In their 2013 study, Elizabeth Daley, Chris Flower, Luca Miggiano, and Sabine Pallas highlighted that the lack of access to capital is a significant barrier to establishing and growing small businesses. Their research indicates that around 80% of women-led micro, small, and medium businesses do not receive adequate financial services support. The reason is that most women do not own land or property which commonly serves as collateral for accessing finance through formal financial institutions.

In a study from 2018, it was found that only 13% of black women between the ages of 20 and 49 owned land exclusively, compared to 36% of black men (Mail and Guardian: 2018). This inequality in land ownership can be attributed to deeply ingrained societal norms and customary laws in South Africa, which are rooted in a patriarchal tradition. This tradition assumes male superiority and grants them the authority to make all decisions and control all family assets and property (Women's Legal Center: 2010).

In a patriarchal society like that of South Africa, it is common practice for women to be treated as mere housewives incapable of playing a leading role in society. Under such conditions it is extremely hard to propel women into influential and high-earning roles in the economy (Alesina, Giuliano & Nunn, 2013; Mpunzana & Mofokeng, 2023; Segalo, 2015). As a result, many enterprising and risk-taking women harbouring ambitions to venture into high-rewarding sectors have to endure a litany of hurdles, most of which are embedded in an entrenched patriarchal system.

A report published by the IMF in 2021 revealed that most banks and lenders were less likely to lend to start-ups owned by women because of their perceived high-risk status. The report further asserted that small start-ups owned by women found it difficult to satisfy prerequisites such as financial statements, payslips and collateral security because most of them were not formally registered (IMF, 2021). Worse still, the majority of female entrepreneurs in rural areas were illiterate, thereby making it easier for banks to overlook them (Meng, 2021).

Meanwhile, Makgetla (2021) cautions that given the level of funding invested in women's empowerment programmes since 1994, it is regrettable that the majority of female-owned enterprises are still battling to survive. This is a sure indication that the quest towards the emancipation of women is failing to deliver the intended results. Maketla (2021) claims that due to genderised barriers to finance, the probability of male-owned ventures succeeding is more than twice that of female-owned businesses.

### **2.6.3. Education and Skills limitations**

The next battle against women exclusion from the mainstream economy will be won by women entrepreneurs who are not only able to read and write but who also demonstrate an impeccable understanding who the global economy operates. Sadly,

most women entrepreneurs in SA lack the right mix of skills, competencies and intellectual tools to outmanoeuvre in the mainstream economy. The resultant feature is that most of them end up quitting the space due to skills barriers. Brixiova, Kangoye, (2019) illustrate that entrepreneurs that are more skilled and experienced, tend to be more successful in the mainstream economy than those less educated and skilled.

A clear picture can be seen in sectors such as agriculture, where limited diversity in women's skill set and training makes it difficult for them to adapt or move between or take advantage of opportunities in the different stages of the value chain within the sector (Brixiova, Kangoye, Said, 2019) . Similarly, in the construction sector, where the growth of women entrepreneurs is challenged by the fact that they do not always have the right mix of knowledge, skills and training required to provide a solid base for a successful and sustainable business in the industry. A study conducted by the World Bank in 2022 identified illiteracy and limited access to skills as factors hindering the sustainability of females' businesses.

#### **2.6.4. Technology limitations**

Access to technology especially digital technologies is an important empowerment concept that continues to impede many women entrepreneurs from participating in the mainstream economy. Sadly, the mainstream economy is not only digitally driven but also founded on ideals on manufacturing and product innovation and digitally-aided customer connectivity. The unpleasant fact is that most women entrepreneurs are neither digitally savvy nor command sufficient funding to acquire essential digital tools and equipment (Brixiova, Kangoye, Said, 2019).

#### **2.6.5. Social limitations**

A study by the Competition Commission (2023) reveals that social factors such as safety, societal norms, customary practices and domestic responsibilities impact on the ability of women entrepreneurs to move freely and dedicate time and energy to

perform their entrepreneurial activities, thereby further affecting their ability to enter and effectively participate in markets.

Sadly, South Africa inherited a “think business, think male” mentality, and this mentality is rooted in the country’s patriarchal upbringing. Women entrepreneurs faces the daunting task of fulfilling family responsibilities such as caring for their children, cooking for their families and satisfying the emotional needs of their spouses (Hayes, 2014).

#### **2.6.6. Historical limitations**

The low participation parity of women in the mainstream economy is caused historical factors. The country’s century-long apartheid policies (in which gender discrimination was a central theme) remains one of the barriers impeding the empowerment of women entrepreneurs (Hutson, 2007). Despite attaining democracy in 1994, millions of black women still disproportionately experience the harsh realities of poverty, unemployment and inequality, thus, lack sufficient courage and self- esteem to penetrate the mainstream economy (Segalo, 2015). During the apartheid era, black women were systematically excluded from the mainstream economy (Segalo, 2015).

Katare, Marshall and Valdivia (2021) claim that due to years of segregated development, South Africa missed an opportunity to champion the economic interest of women-owned startups Although the current administration is credited with implementing progressive women empowerment policies, the majority of female-owned enterprises continue to experience ongoing viability challenges (Iwu, Sibanda & Makwara, 2022).

## **2.7. BRIDGING THE GENDER GAP**

Botha (2006) and Lebakeng (2008) highlight measures to bridge the gender gap in mainstream sectors. Some of these measures are summarised below.<sup>3</sup>

### **2.7.1. Gendered skill programmes**

Meng (2021) maintains that knowledge is power and that those with an abundance of it are in a strong position to influence society or break into new frontiers of growth and success. Meanwhile, in an attempt to demonstrate the catalytic role of knowledge to women in business, Bosma and Kelley (2018) and Booyesen and Nkomo (2010) assert that genderised skills programmes present an excellent opportunity for female entrepreneurs to penetrate sectors that are traditionally dominated by males.

Moreover, Anik and Rahman (2021) and Jamaani (2021) posit that a gender-centric skilling programme is key in that it lays the foundation for the acceleration of women's empowerment. Yet Bosma and Kelley (2018) point out that the majority of women in business lack the requisite skillsets and experiences to effectively penetrate and compete in sectors historically dominated by males. In conclusion, it is clear that genderised entrepreneurship training programmes should be one of the mainstays of an impactful women empowerment initiative.

### **2.7.2. Gender reforms**

Bosma and Kelley (2018) insist that reviewing and transforming the current policy climate with a view to ridding the enterprise development landscape of perceived barriers to women empowerment is the first critical step in creating an enabling and progressive women's empowerment environment. This is born out of the realisation that the current basket of policies is mostly insensitive to the unique and complex challenges bedevilling female entrepreneurs.

Offering a cocktail of policies that are gender neutral could not only eradicate barriers to women empowerment but also promote genderised affirmative action (Meng, 2021). However, Anik and Rahman (2021) caution that although the idea of an inclusive and gender-sensitive policy climate is a plausible one, it should be backed by a robust compliance monitoring and enforcement mechanism.

### **2.7.3. Gendered financial support.**

The absence of a genderised funding mechanism for high-risk female start-ups has been identified by Zaazou and Salman Abdou (2021) as one of the common impediments discouraging enterprising young girls in Egypt from pursuing their entrepreneurial dreams. In South Africa, development finance institutions (DFIs) have been criticised by Griffith-Jones and Verde (2020) for their failure to introduce gender-inclusive financing packages and tools during the pandemic.

As a result, Wang, Goh, Sornette, Wang and Yang (2021) report that many female-owned enterprises were not resilient enough to survive pandemic-induced liquidity challenges. Griffith-Jones and Verde (2020) further implore governments to collaborate with DFIs to develop what they refer to as genderised funding solutions as part of a grand plan to encourage more females to compete in male-dominated sectors like mining, manufacturing, technology and commercial farming.

Brixiová, Kangoye and Yogo (2020) argue that such a funding portal should be highly accessible and affordable. One way to improve access to genderised finance is to encourage female entrepreneurs to tap into available venture capital opportunities. Most importantly, offering female entrepreneurs microcredit support is an essential catalyst for women empowerment. Wang *et al.* (2021) insist that microcredit improves access to vital lines of credit, thereby allowing female entrepreneurs to advance economically.

#### **2.7.4. Technology linkages**

Bosma and Kelley (2018) postulate that as part of the effort to lure female entrepreneurs into the mainstream economy, their access to emerging technologies must be promoted. Technology enables female entrepreneurs to improve production and market efficiencies, thereby placing them in an excellent position to effectively compete on the global stage. This means that technology transfer and digital linkages must be a central element of impactful women's empowerment programmes (Oberhauser & Pratt, 2004).

Kock (2008) conclude that technology, education and training are closely intertwined, and that lack thereof can prevent female entrepreneurs from unleashing their entrepreneurial potential. However, Griffith-Jones and Verde (2020) laments that the majority of present-day female entrepreneurs are not digitally skilled despite its well-known centrality, hence the need to equip female-owned businesses with technology skills.

#### **2.7.5. Joint ventures and partnerships**

The joint venture and partnership route has been identified by Brixiová, Kangoye and Yogo (2020) as one of the powerful enablers for women empowerment. By forging partnerships with established enterprises, female entrepreneurs will be in a position to unlock funding, mentoring and skills-transfer opportunities. Kock (2008) posits that joint ventures offer female entrepreneurs the opportunity to profit from the competitive strengths of those who have been on the same journey, thereby linking them with rewarding social and business networks.

#### **2.7.6. Genderised Planning, Budgeting, Monitoring, Evaluation and Auditing**

The concept of genderised planning and budgeting appears to be a new phenomenon in SA (Brixiová, Kangoye & Yogo, 2020). SA lacks the appetite and tools to integrate the women's empowerment component into its planning and budgeting, monitoring

and evaluation (M&E) frameworks, making it extremely hard to measure the gendered impact of its fiscal policies. Stotsky, Kolovich and Suhaib Kebhaj (2016) caution that as long as the shifting needs of female entrepreneurs do not find expression in the plans and budgets of government departments and private companies, it will be hard not only to lure females into the mainstream economy but also to level up the playing field.

All government departments, public entities, provinces, and municipalities have a mandate to deliver on Gender Equality and Women's Empowerment (GEWE). A challenge facing the government, however, is the limited availability of evidence-based national and sectoral diagnostics on GEWE to inform interventions, policy, programming and budgeting. The Department of Women, Youth and Persons with Disabilities within the Presidency has noted in Gender-Responsive Planning, Budgeting, Monitoring, Evaluation and Auditing Framework (2019) that there is poor accountability for GEWE performance across the state sectors and public entities, which are responsible for the bulk of public expenditure in the country. There is also a need to improve the generation of relevant evidence to inform GEWE policy and programming.

Recent research undertaken by the International Monetary Fund and the World Bank has clearly shown that a reduction in gender inequality is also beneficial for economic growth. This research provides strong evidence that inequality between women and men is costing the world billions a year in lost economic growth. The IMF suggests that countries should use their annual budgets to ensure that public money is spent to reduce the gender gap. The World Bank argues that empowering female entrepreneurs has the potential to create jobs, increase incomes, lift millions out of poverty, and lead to greater economic and social transformation (2014).



Gender Responsive Budgeting refers to the allocation of financial resources in a manner that not only ensures that women and men benefit equally from all resources but also reduces existing patterns of women's systemic inequality. Gender budgeting is one of the mechanisms of an effective Gender Management System whereby, overall fiscal framework incorporate WEGE considerations and shows Gender responsiveness across the budget cycle and MTEF processes. Gender budgeting calls for Budget Guidelines to include requirement/ incentives on gender-responsive allocations and programme bids and inclusion of Gender in National treasury database. National Treasury to tag gender spending as well as new requirements for departments to include gender disaggregated data in their annual performance plans.

## **2.8. THEORETICAL FRAMEWORK**

This study is grounded in four intertwined theories, namely the women in development theory, the women and development theory, the gender and development theory and the women empowerment theory.

### **2.8.1. Women in development theory**

The women in development (WID) theory holds that if accorded an opportunity and if backed by a strong support system, women can be transformed into agents of their own development and powerful catalysts for social change (Hayes, 2014). Bassnett (2013) stresses that the first critical step towards achieving this is to place women at the heart of self-reliance projects.

The theory, which is influenced by the early feminists, is built on the assumption that just like their male counterparts, women can meaningfully contribute to the economic upliftment of their families or even communities only if deliberate efforts are made to level the skewed playing field (Brescoll, 2011; Martin & Barnard, 2013). The widely accepted view is that the WID theory, which is based on feminist teachings and

traditions, emerged in the 1960s (Matchar, 2013; Mauthner & Edwards, 2010). By thrusting them into the driving seat of development projects, the theory seeks to alter drastically the social and economic status of women.

On the other hand, McAdams, Josselson and Lieblich (2006) remark that the theory holds that the current socio-economic disparities between men and women can easily be bridged if women are given roles to play in the decision-making structures of development projects. A weakness of the WID highlighted by McAdams *et al.* (2006) is that whilst the WID theory is widely credited with setting the tone for future women's empowerment journeys, it fails to acknowledge the root causes of some of the factors that undermine constant efforts to allow more women into the development web.

### **2.8.2. Women and development theory**

The women and development (WAD) theory, which appears to be a modified and improved version of the WID theory, seeks to assign greater and more influential roles to women in development projects. The theory holds that development projects can make a meaningful impact on the livelihood of women only if women are treated as equal partners in the development of their communities (Ely & Rhode, 2010; Ely, Ibarra & Kolb, 2011).

The assumption that underpins the WAD theory is articulated by Fleming and Spicer (2014) who argue that advocating the elevation of women to positions of influence in all facets of society means that women will be in a formidable position to break patriarchal barriers widely blamed for keeping them out of the opportunity supply line. Derks, Van Laar and Ellemers (2016) highlight one of the implicit concerns that WAD seeks to remedy. The WAD theory asserts that development is void of its true social meaning and real economic value if its initiators fail to remove cultural and social

barriers that hinder the meaningful participation of women in the decision-making structures of development projects (Derks *et al.*, 2016).

Stead (2014) distinguishes between WID and WAD, pointing out that unlike WID which merely advocated the involvement of more women in development projects, WAD sought to create an enabling development environment for women's participation. As observed by Johnson and Marthur-Helm (2011), WAD's main goal was to break barriers to women's entry with the hope that such a move would attract more women into gainful self-help projects.

However, despite its many good intentions the WAD theory was not without its weaknesses. One of its commonly cited weaknesses is that it did not recognise the reproductive and social burden that hindered women from maximising their developmental aspirations. Fleming and Spicer (2014) point out that besides driving self-reliance projects, women have to carry out their ceremonial reproductive and social tasks, a burden that most women find too hard to bear. To correct this anomaly, the Gender and Development (GAD) theory was therefore conceptualised.

### **2.8.3. Gender and development theory**

As alluded to earlier, the GAD theory was born out of the need to remedy some of the weaknesses of the WAD theory. GAD is a deliberate attempt to disengage from so-called feminist-oriented development approaches in favour of more gender-sensitive and neutral approaches (Fleming & Spicer, 2014). This approach seeks to level the development playing field by examining how reproductive and social roles assigned to men and women impact their ability to drive development projects (Dickerson, 2013). The theory argues that when apportioning development tasks to men and women, there is a need to toe the gender line, i.e., to recognise that women and men are biologically different and hence the need to allocate them genderised

development assignments and tasks (Martin & Barnard, 2013; Derks, Van Laar & Ellemers, 2016).

As suggested by Matchar (2013) and alluded to by Mauthner and Edwards (2010), gender equality can manifest in two ways. The first approach is the liberal method which advocates equal access to economic opportunity for men and women. Mauthner and Edwards (2010) assert that the liberal approach underscores the need to create enabling legal safeguards to give these opportunities legal effect. A typical example of liberal rights is to offer women equal access to political and legal opportunities. The second approach is the radical approach which seeks to use all available avenues and tools to wage war against the patriarchal system so as to overthrow it (Dev, 2019).

The idea is that ridding the development field of deep-seated patriarchal practices will make it easier to drive high gender equality and equity rates in the mainstream economy (Van Eerdewijk, Wong, Vaast, Newton, Tyszler & Pennington, 2017). Unlike WID and WAD which vigorously campaign for women's inclusion in all spheres of economic influence, the GAD construct underscore the need to fairly assign both social and development roles to males and females with the view to promote division of labour and equity (Van Eerdewijk *et al.*, 2017).

#### **2.8.4. Women empowerment theory**

Matchar (2013) and Van Eerdewijk *et al.* (2017) argue that the women empowerment theory (WET) is a modernised and upgraded version of the GAD theory in that it is built on foundational values of enhanced genderised access, ownership and control of the means of production. Women are seen not only as agents of economic change but also as first-class beneficiaries of economic opportunities that were traditionally the exclusive preserve of males (Matchar, 2013).

The theory seeks to give women access to diverse livelihood options as well as multiple avenues to access, own and control the means of production (Derks, Van Laar & Ellemers, 2016). In this regard, the means of production include natural resources, land, capital, entrepreneurial skills and labour. These choices are made possible by extending a helping hand to marginalised women who, despite harbouring business ambitions, lack sufficient resources (money, skills, technology, tools, market access) to effectively pursue those ambitions (Lee, 2010).

Booyesen and Nkomo (2010) argue that in advanced societies women empowerment manifests in the form of genderised enterprise development solutions. Gender-led enterprise development solutions often come in the form of financial linkages, market access support, skills training, technology linkages and information exchange programmes. Such a paradigm seeks not only to remove obstacles that hinder women from owning and controlling the means of production but also to create an enabling environment for women's elevation to decision-making structures of so-called lucrative sectors. Owning the means of production is regarded by Booyesen and Nkomo (2010) as the highest form of women empowerment.

#### **2.8.5. Significance of the theories**

An analysis of the four theories yields four important insights.

1. The first insight that is strongly linked to Booyesen and Nkomo (2010) is that these theories can lay a foundation on which gender lobbyists can build a case for mounting measurable campaigns.
2. The second insight is that as these theories evolved, empowerment lobbyists dumped feminist-linked approaches in favour of what Brescoll (2011) refers to as progressive gender-neutral theories.

3. Thirdly, the fact that many progressive countries are now embedding the concept of women empowerment into their constitutions marks a new era in the war against women's discrimination (Derks, Van Laar & Ellemers, 2016).
4. Lastly, owing to the tireless work of those who pioneered the women empowerment discourse in the early 1950s, the concept of equipping female entrepreneurs with genderised enterprise development tools is now widely acknowledged as a human rights issue (Derks, Van Laar & Ellemers, 2016).

Meanwhile, as observed by Anik and Rahman (2021), it is important to note that over the years the topic of women empowerment has been an abiding priority in the United Nations General Assembly (UNGA). For example, under its “*no-one should be left behind mantra*”, Goal 5 of the UN-backed Sustainable Development Goals (SDGs) enjoins governments of the world to prioritise, drive and measure the empowerment of vulnerable groups such as women, girls, boys and people living with disabilities (Struckmann, 2018).

Secondly, thanks to the early pioneers of the women's empowerment struggle, the issue of capacitating female entrepreneurs is now an integral and natural part of the priorities and aspirations that underpin South Africa's National Development Plan (NDP) (Stuurman, 2018; Parliament of the Republic of South Africa, 2015; National Development Plan 2030, 2015). These pioneers played an influential role in driving the legitimisation and institutionalisation of women empowerment strategies and policies.

### **2.8.6. Theoretical gaps**

The four theories are not immune to potential fault lines. Commonly cited critiques include: (1) their failure to make a meaningful and tangible impact on the lives of ordinary women living in deeply patriarchal societies (Fleming & Spicer, 2014), like women living in Muslim countries and rural areas, (2) the fact that women in business in South Africa are subject to chronic discrimination in the marketplace despite past attempts to alter their lived experiences (Damaske, 2011), (3) the lack of political will to adopt gender budgeting practices, which has been described as the major missing link in present-day theories (Martin & Barnard, 2013) and (4) the failure to eliminate the scourge of gender-based violence which is ravaging South Africa and makes the current theories sound inadequate (Brescoll, 2011). These and other pitfalls demand re-evaluation of the current women empowerment theories.

## **2.9. CONCLUSION**

There is increasing recognition that economically empowering women is essential both to realise women's rights and to achieve broader development goals such as economic growth, poverty reduction, health, education and welfare. In the last five years a broad range of organisations have committed themselves to the goal of women's economic empowerment. These organisations realise that economically empowering women is a win-win that can benefit not only women but also society more broadly. It promotes women's ability to achieve their rights and well-being while also reducing household poverty, promoting economic growth and productivity and increasing efficiency.

Thanks to a well-coordinated global women empowerment movement, women now hold top positions of influence in politics, business and society. Most importantly, women are also occupying prominent positions in traditional sectors such as religion and kingships. In the past such a feat was not only unheard of but widely considered

as taboo. The next chapter provides details of how the data that informed the findings of this study were collected, processed and analysed.



## **CHAPTER 3: RESEARCH METHODOLOGY**

### **3.1. INTRODUCTION**

The methods, approaches and tools that were used to collect, organise, process and analyse the data are highlighted in this chapter. Equally important, the chapter also outlines the paradigms that informed the study's methodological convictions. The study employed desktop qualitative research. Leedy and Ormrod (2018) describe qualitative research as a method of inquiry that thrives on non-numerical evidence such as statements from eyewitness accounts, real-life stories and audio or video footage to comprehend perspectives, concepts, opinions or lived experiences. In addition to this, Creswell (2018) asserts that qualitative research is useful in settings where detailed context-specific insights are utilised as important tools to interpret the problem or create new ideas to guide an inquiry.

In light of this, the methodology used was carefully chosen to ensure it sufficiently assist in answering the following questions of interest:

- (a) What are the factors hindering women entrepreneurs from meaningfully participating in the mainstream economy in SA?
- (b) What is the effectiveness of ongoing strategies to improve the participation of women entrepreneurs in the mainstream economy?
- (c) What recommendations may be implemented to ensure women entrepreneurs meaningfully participate in the mainstream economy?

### 3.2. RESEARCH PHILOSOPHY

The interpretivist research philosophy served as the foundation for this study. The purpose was to investigate factors hindering female-owned enterprises from penetrating high-value sectors of the economy. Given that reality is formed by human perceptions, interpretivism primarily relies on highly subjective views that are largely shaped by participants' real-life stories and lived experiences (Collins & Hussey, 2014). It is important to note that in its ideal form, the interpretative research philosophy assists the researcher to grasp the problems and context (Creswell, 2018), learn and comprehend behavioural patterns (Yin, 2012) and analyse culture to develop empathy for the target audience (Saunders *et al.*, 2018).

The interpretivist paradigm holds that it is the duty of those with an exceptional understanding of the phenomenon of interest to interpret its meaning using their perspectives, words, statements and insights (Yin, 2012; Leedy & Ormrod, 2018; Creswell, 2018). Against this backdrop, this study relied on insights reflected in the journal articles written by seasoned women empowerment authors, scholars and activists to shed light on critical women empowerment trends and realities. The assumption is that by allowing the inspired writings of field experts to influence and inform the study, it is easier to authenticate the underpinning evidence (Leedy & Ormrod, 2015).

As observed by Saunders *et al.* (2018), the qualitative research presented two main advantages – (1) it allowed people with lived experiences to express their perspectives using their own words and insights and (2) it allowed the researcher to conduct an in-depth probe of women empowerment trends using analytical reasoning to enrich the understanding of the subject matter. To this end, this research made use of archival data retrieved from, *inter alia*, textbooks, journal articles, internet

sources, academic and research papers, White Papers, conference papers, government policies, reports and manuscripts.

These manuscripts contained vital information about SA's women's economic empowerment history. A comparative analysis of women empowerment trends was conducted and three countries known to have mature women empowerment environments were used for benchmarking purposes. A document analysis schedule was developed to guide the secondary data collection effort. The data of interest included the history of women empowerment in South Africa, analyses of past and current women empowerment interventions, barriers to women empowerment and strategies to bridge the gender gap.

### **3.3. RESEARCH DESIGN**

The term "research design" refers to the approach through which the researcher intends to perform the investigation (Babbie, 2020). Cooper and Schindler (2014) define a research design as a precise and in-depth strategy that guides researchers on how to gather and evaluate data to accomplish research objectives. The study followed a descriptive research design and relied extensively on secondary data, meaning it was a pure desktop research. By using the desktop design, it was easier and quicker to unearth current women empowerment trends, contrast and compare South African trends with those of three other countries and track the evolution of SA's women empowerment journey to uncover gaps.

### **3.4. DATA COLLECTION**

Data collection is the gathering of relevant facts or evidence using appropriate tools and recommended procedures and processes (Creswell, 2018). The study made use of archival data extracted from journal articles, internet sources, academic and

research papers, White Papers, government policies, conference papers and even government reports. To this end, a document analysis schedule was developed to guide the collection effort. The data of interest included the women empowerment history, the theoretical construct of women empowerment, the impact of existing interventions, the barriers to women empowerment and strategies to close the empowerment gap.

### **3.5. DATA ANALYSIS**

Data analysis refers to a practice in research in which collected data is sorted, arranged, processed and interpreted to construct its true and contextual meaning (Leedy & Ormrod, 2015). This study employed thematic data analysis to enable the monitoring, tracking and analysis of key women empowerment trends over a given period. These trends and themes were aligned with the objectives of the study for coherence. As postulated by Creswell (2015), the choice of themes was informed by cross-cutting views on women's empowerment linked to some of SA's prominent journals.

The analysis hinged on four thematic areas, i.e., (1) women empowerment trends and patterns, (2) women empowerment drivers at national and global level, (3) barriers to women empowerment and (4) strategies to narrow the women empowerment gap. The four themes were coded before they were precisely defined. Once the themes were explicitly defined and clarified, the next task was to compile intelligent write-ups (Yin, 2012). These write-ups were later synthesised to form an integrated research report.

### **3.6. TRUSTWORTHINESS OF THE STUDY**

Creswell (2018) states that the purpose of trustworthiness in qualitative research is to demonstrate that the evidence that underpins the findings of the study is both sound and irrefutable. To enhance the trustworthiness of the data, the following strategies were applied (Yin, 2012):

#### **3.6.1. Credibility**

Various approaches linked to Creswell (2015) were employed to safeguard the integrity of the data. These included external editing (Saunders *et al.*, 2018), peer review (Yin, 2012) and data triangulation (Mortari, 2015).

#### **3.6.2. Transferability**

Since the findings of this study are based on an analysis of women empowerment trends from the evidence drawn from archival or historical sources, it is inadvisable to replicate such findings to other contexts (Mortari, 2015).

### **3.7. ETHICAL CONSIDERATIONS**

To comply with TUT's prescribed ethical guidelines, an application to obtain ethical clearance was lodged with the university's Research Ethics Committee and the study only proceeded after the clearance certificate had been obtained. Further to this, in line with the provision of the Protection of Personal Information Act of 2013 (POPIA), attempts were made to, among other things, respect the intellectual property of other researchers, safeguard the confidentiality of data sources, keep privately obtained data under lock and key, restrict access to confidential data to authorised persons

and ensure that such materials were disposed of in line with TUT's document destruction policy.

### **3.8. CONCLUSION**

A desk study was used to collect archival evidence from the internet and government sources. This method was used because it was deemed the simplest and most cost-effective way to gather large volumes of context-specific data. The interpretivist paradigm influenced the methodological nature of the study. Premising the data collection and analysis process on this paradigm was instrumental in placing the real-life stories or lived experiences of women under the spotlight. Meanwhile, the collected data were thematically analysed to enable the simplification and processing of large volumes of data into analysable codes and themes. The next chapter discusses the findings of the study.

## **CHAPTER 4: FINDINGS OF THE STUDY**

### **4.1. INTRODUCTION**

This chapter examines some of the scholarly reflections about underlying factors perpetuating the exclusion of women from the mainstream economy. These reflections are informed by evidence obtained from archival sources. A descriptive design was used not only to make sense of these factors but also to point the way forward. The study was conceived after a realisation that women in business seeking to trade in high-margin and high-volume sectors often encountered multiple barriers of entry. What distinguishes this study from other studies is that this study recommends actionable strategies to break the cycle of this exclusion.

The central concern of the study was that the majority of female-owned ventures were still lumped together in the informal economy despite concerted efforts in the past to change the status quo. Examples of high-margin sectors are mining, commercial agriculture, banking, manufacturing, agro-processing, big-tech firms, etc. Yet owing to many factors, women are still confined to the peripherals of the formal economy, making them insignificant contributors to the gross domestic product (GDP) or to job creation.

Lucrative sectors are sectors of the economy known to exhibit the following four core attributes or characteristics:

- a. High capital intensity, implying that those expressing interest must command the right mix of resource capacity and required financial clout to effectively compete

- b. Demonstrable technical knowhow and impeccable track record in the chosen industry
- c. Able to command high levels of social influence.
- d. Possess matchless political acumen and exceptional deal-making expertise.

Due to decades of social injustice, gendered economic imbalances and stereotyping, most women lack the requisite tools to penetrate these sectors. In light of this, three variables inspired this study, i.e., (a) the need to examine the exact nature of obstacles to ongoing efforts to incorporate women into the formal economy, (b) the need to review and reformulate existing strategies to catapult female-owned enterprises into the mainstream of the economy and (c) the need to position the issue of women empowerment at the top of the national agenda.

Efforts to answer this longstanding national question led to the following probing questions:

- (a) What are the factors hindering women entrepreneurs from meaningfully participating in the mainstream economy in SA?
- (b) What is the effectiveness of ongoing strategies to improve the participation of women entrepreneurs in the mainstream economy?
- (c) What recommendations may be implemented to ensure women entrepreneurs meaningfully participate in the mainstream economy?

#### **4.2. SETTING THE SCENE**

Women's exclusion from the mainstream economy in SA is not only systemic but also deeply embedded in all spheres of the economy. There is no denying that the struggle against this exclusion has been a protracted one. The truth of the matter is that both



past and ongoing efforts to narrow the gender disparity gap in the mainstream economy are not yielding the desired results – implying the need to craft a novel approach to propel more women into the centre of high impact sectors. What makes these sectors hostile to women entrepreneurs is that apart from being capital intensive, they require critical skills which the majority of women do not have. As a result, very few women have broken the vicious cycle of exclusion and marginalisation.

Men and women experience gender-based economic disparities and injustices differently. In most cases, these imbalances manifest in different forms. Whilst men face fewer hurdles, there is a widely acknowledged view that women bear the brunt of unjust economic policies, most of which were inherited from the apartheid past. In light of this, the mammoth task facing the current administration is not only to dismantle structural, historical and cultural impediments to women empowerment but also to level the playing field.

The race to transfer economic power and opportunity to women is slowed down by many detours and setbacks. The journey starts by acknowledging underlying factors that continue to perpetuate the gender gap in the economic sphere. This explains why there are growing calls internationally to rid the marketplace of all manifestations of discrimination against women and of their marginalisation. There is no doubt that a new women empowerment compact to catapult women into the mainstream of the economy is urgently required.

### **4.3. GENDER DISTRIBUTION BY SECTOR**

A report by DTIC published in 2019 shed light on the state of women empowerment in the formal economy. The report revealed that the diamond processing sub-sector

led in terms of having a sizeable number of women employees in its ranks: 52% of the total employees in the sector were women. The jewellery manufacturing sub-sector had 50.5% women, while diamond mining at 17.4% occupied the third spot. The gold mining sub-sector at 8.2% was ranked the lowest in terms of opening up to more women employees. Platinum Group Metals (PGM), with only 8.5% of its total employees being women, constituted the second lowest employer of women. The report showed that women accounted for 30% of those employed by the manufacturing sector and 67% of those employed by the agricultural sector.

With an impressive 75%, the services sector was the largest employer of women in the country, whilst the mining sector absorbed the smallest number of women employees. As noted by the Anglo Platinum case study in 2020, prospective female employees find it extremely difficult to break into the mining sector, probably because the sector has a strong history of discriminating against female job seekers. According to Anglo American, women constituted only 10% of its total workforce.

The narrative of women empowerment in SA cannot be complete without highlighting ownership dynamics in gender aggregation terms. A study by the World Bank in 2023 revealed that women owned less than 10% of enterprises participating in high-value sectors. The study further found that women owned 5.2% of the total R2 trillion market capitalisation of the Johannesburg Stock Exchange's top 25 firms. Moreover, the study concluded that 9% of the stake in the mining sector was owned by women. The dominant view is that the gender transformation journey in the formal economy is disappointingly slow – while SA is ranked as one of the countries with the best pro-women legislation in the world.

#### **4.4. UNDERLYING FACTORS DRIVING WOMEN'S EXCLUSION**

The mainstream economy is notorious for being less lenient to female-owned enterprises. For example, Gorman and Kmec (2017) observed a widening gender gap in big tech firms and in the mining industry. According to them, approximately 95% of women with an interest in these sectors found them less friendly, mainly due to lack of capital and mission-critical skills. Whilst Epstein (2018) blames social networks for this unfriendly attitude, Gorman and Kmec (2017) postulate that at the core of the hostile attitude are deep-seated cultural beliefs that continue to undermine women's entrepreneurial competence and deal-making potential.

Unfortunately, these impediments are deeply embedded in so-called high-impact sectors like mining, manufacturing and banking (Epstein, 2018). While the government should be applauded for making great strides in breaking the cycle of women's exclusion from the informal economy, there is no denying that little has been done to elevate women to the formal economy. In its current state and form, the informal economy is still plagued by numerous barriers to entry – implying the need to upscale programmes to promote women's access to the high-impact sectors. The following is a summary of some of the underlying factors that discourage women from participating in the mainstream economy.

#### **4.4.1. Social networks**

A study by Davies-Netzley (2019) involving women in business in South Africa concluded that social networks played a catalytic role in either propelling women into the centre of the formal economy or blocking women from ascending into positions of influence or prominence. Social networks are high-rewarding circles of influence involving prominent elites in society that are closely guarded and therefore difficult to penetrate. The cost of penetrating these networks is extremely high, making networks inaccessible except to the chosen few. The study further found that women with

outstanding deal-making skills stand a better chance of accessing high-impact sectors of the economy. In other words, to penetrate the formal economy, women have to demonstrate unparalleled social networking skills (Davies-Netzley, 2019). According to Davies-Netzley (2019):

*“Networking is one of the common currencies that underwrite the success of every businesswoman, indicating that by displaying inept networking skills, a female entrepreneur cannot make a meaningful impact in high value sectors of the economy. Sadly, these sectors thrive on one’s deal making proficiencies and ability to connect and network with prominent industry leaders”.*

In real practice, women find it hard to penetrate high-profile business networks and syndicates and the few who do break into these circles of social influence and connections have to endure numerous obstacles. Since most of these business networks are highly sexualised and controlled by males, women who seek access to these networks are likely to experience sexual harassment and prejudice. Avolio (2019) and Hellman (2002) found that social networks superseded cultural beliefs and shared stereotypes. These networks play a gatekeeping role in that they determine, to a large extent, who has access to or who owns what in the economy.

#### **4.4.2. Cultural barriers**

Bass and Avolio (2015) insist that there is evidence that women with an interest in high-value sectors constantly experience culture-related prejudices and stereotyping. These prejudices are notorious for portraying women as second-class citizens undeserving of any form of recognition and respect.

In predominantly Muslim societies, Phillips, Moos & Nieman (2014) noted that women are customarily banned from venturing into business or from signing legally valid contracts without the express approval of a male guardian. It is common practice in such societies for women to be treated as minors. What this means is that any business contract they sign without the approval of a male guardian may be difficult to enforce (Phillips, Moos & Nieman, 2014). Most importantly, women in these societies are not allowed to register a business property in their name without written consent from either a husband or a male guardian. From a women empowerment perspective, such a tradition makes women unattractive to global capital.

According to Ridgeway (2001), gender stereotypes and social networks interact in ways that limit women's advancement to the highest echelons of power in organisations. This thinking is corroborated by research done by Managing Transformation Systems (MTS) and Concession Creek Consulting (CCC) in 2010, which found that cultural barriers and submissive tendencies constituted the principal reason why women did not establish their presence in the mainstream economy. According to Heilman (2016), there is also an erroneous assumption perpetuated by gender phobia analysts that women do not have sufficient courage and boldness to venture into so-called dangerous sectors like mining. This stereotype has led some to think that women lack what it takes to pursue business interests in risky sectors. Heilman (2016) states:

*“Although not scientifically proven, the cultural pot is not only peddling the idea that certain sectors like mining are too risky for women but also perpetuate the wrong belief that very few women have the courage to challenge such gender stereotypes”.*

Ridgeway (2018) concurs:

*“Women that demonstrate outstanding entrepreneurial acumen but are less gifted in social competence often find themselves playing in the peripheral of the economy. Worse still, we are living in a society that still treat women as subordinates of men. Sadly, this insubordination is strongly embedded in the cultural DNA”.*

Other proponents of this view like Schein (2017) and Patullo (2019) argue that the rapid sexualisation of the marketplace reflects the global devaluation of women in all spheres of the economy.

In support of this standpoint, Schein (2017) points out,

*“As long as women are treated as objects of sexual pleasure, the dilemma of sexual harassment which is clearly rife in today’s highly sexualised marketplace will continue unabated. The sexualisation of the workplace, itself a subtle form of gender stereotyping is the reason why many women confine themselves to less sexualised informal sector. In light of this, there is a need to mobilize the national sentiment against cultural practices that continue to portray women as objects of sex”.*

Perception barriers were by Vardabasso (2010) as one of the sub-element of culture that constantly hinder women entrepreneurs from accessing the mainstream economy. For example, he identified posits that in the past, women who worked in Australian mines were stigmatised due to entrenched superstitious beliefs. He cites

one of the early Australian traditions that holds that allowing women to work underground was a direct invitation of bad luck. This superstition was so embedded in Australian society that at some point women journalists were not even allowed to practise journalism within the vicinity of mining firms.

In Zambia it was widely believed that allowing women to work underground would trigger the mysterious disappearance of those minerals (Machipisa, 1999). In SA, Anglo Platinum reported that relatives of a Madikwe woman who died whilst underground believed that her death was a punishment meted out by the gods. In their culture, women working underground was a taboo. In Japan, women do not visit or work in coal mines to avoid being cursed by the female mountain goddess. As long as these gendered superstitions are entrenched in society, promoting women's participation in high-impact sectors like mining may not bear fruit.

#### **4.4.3. Legislative barriers**

Whilst the post-1994 parliament did a commendable job of repealing apartheid-era discriminatory policies and laws, it is important to note that women are feeling the negative aftereffects even now. Although repealed on paper, apartheid-era discriminatory practices are deeply engrained and rife in today's increasingly sexualised marketplace. Historically, women were by law forbidden from participating in underground mining and while such laws have been repealed and no longer apply, women in the mining industry are still battling to shake off the legacy of such policies. At some stage there was a law that prohibited women from studying mining engineering because the mining sector was considered too dangerous for females. According to Patullo (2019), this is one of the reasons why SA has a critical shortage of female mining engineers today.

Barriers to entry embedded in regulatory frameworks have been repeatedly cited as one of the major perpetrators of women's marginalisation in the economy. This phenomenon is not restricted to SA. Burdensome regulations continue to make the mining sector unattractive to women. For example, the Scotland Mines Act of August 1842 prohibited women from working underground. Worse still, women were prohibited by the same law from wearing personal protective equipment that was originally made with the male gender in mind. In addition, the law banned women from working night shifts.

A law of a similar nature was used by the SA government in the 1990s to prohibit women from engaging in underground operations. In Australia the Mine Regulations Acts of 1964 and 1983 banned women from engaging in underground activities without the express permission of the Chief Inspector. Although this law was repealed in the 1970s, the practice remained embedded in the culture of the industry. In Japan the Regulations for the Aid of Mining Workers promulgated in 1916 prohibited women and young persons from working underground, leading to a sharp decline in the number of women miners in that country (Ayusawa, 1966:12).

In Germany the Amendment of the Factories Order of 17 July 1878 expressly excluded women from working underground in mines, salt mines, quarries and pits (Braun, 2009). In the Netherlands the Labour Act of 1889 allowed women to work underground for only eight and a half hours. There is no doubt that these laws not only made the mining industry an exclusive enclave for the male gender but also helped shape the current world view on women's participation in the industry.

In spite of SA's manifestly genderised legislation, gender stereotypes and prejudices continue to hinder or discourage enterprising and vibrant women from unleashing their entrepreneurial potential. Nkomo and Booysen (2010) note that although strides have been made to drive a legislative-based women empowerment journey, the



mammoth task is to unite a deeply gender insensitive corporate world behind a shared women empowerment vision. In the absence of legislation which is backed by a gendered budgeting, monitoring and reporting compact, it will be difficult to increase the uptake of business leaders, the majority of whom are products of a patriarchal society.

#### **4.4.4. Women, pregnancy and motherhood**

Veiga and Beinhoff (2003) attribute women's exclusion from high-risk industries to hazardous and hostile working conditions; for example, certain industries like mining are traditionally not conducive to pregnant women and nursing mothers. Literature is awash with examples of such industries. In its 2017 report, Anglo Platinum conceded that it did not have specialised medical facilities and training programmes tailored to suit the unique health needs of pregnant women and nursing mothers. As a result, the company stopped issuing tenders to such groups, citing that it had neither the special facilities nor the capacity to render such specialised medical care. This is one example that proves that high-risk industries like mining are naturally unattractive to pregnant women and nursing mothers. Unfortunately, most women pursuing careers in the mining sector are reportedly avoiding getting pregnant to stay relevant and fit for purpose.

#### **4.4.5. Lack of funding**

Capital is one of the critical components of a thriving women enterprise. Its absence may render an otherwise bankable and vibrant business idea lifeless. Unfortunately, the formal economy is generally a capital-intensive domain. Only those with deep pockets and access to global capital stand a chance of making a mark. In other words, women with an interest in capital-intensive sectors must possess the required financial leverage to disrupt the status quo. For example, setting up a high-volume

manufacturing venture is a costly exercise that requires millions of rands to, among other things, purchase and install the plant; rent the factory shell; attract and retain the right mix of skills; procure logistics infrastructure to access markets; and conduct a robust promotions campaign. Regrettably, most female enterprises lack the right tools and required standing to tap into vital lines of credit offered by an increasingly cautious formal financial sector. According to the World Bank (2022):

*“Owing to stringent qualification criteria, most women owned enterprises lack the temerity and technical knowhow to mount a bankable and convincing loan application effort. Worse still, these start-ups do not have immovable assets to collateralise their credit applications”.*

The World Bank (2022) is concerned that a significant number of these funding applications do not meet the criteria and consequently suffer needless rejection. For example, the World Bank (2022) reports that out of the many Covid-relief funding applications logged by female enterprises at the peak of the pandemic, only 6% were approved – implying that a massive 94% were rejected.

In their 2013 study, Elizabeth Daley, Chris Flower, Luca Miggiano, and Sabine Pallas highlighted that the lack of access to capital is a significant barrier to establishing and growing small businesses. Their research indicates that around 80% of women-led micro, small, and medium businesses do not receive adequate financial services support. The reason is that most women do not own land or property which commonly serves as collateral for accessing finance through formal financial institutions.

In a study from 2018, it was found that only 13% of black women between the ages of 20 and 49 owned land exclusively, compared to 36% of black men (Mail and Guardian: 2018). This inequality in land ownership can be attributed to deeply ingrained societal norms and customary laws in South Africa, which are rooted in a patriarchal tradition. This tradition assumes male superiority and grants them the authority to make all decisions and control all family assets and property (Women's Legal Center: 2010).

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Phillips, Moos & Nieman (2014) maintain that, women entrepreneurs encounter difficulties in obtaining the necessary funding to start or expand their businesses due to the absence of tangible security and a solid credit history. This unequal ownership of security creates a substantial credit gap between men and women, leading to challenges for women in accessing the required funds.

#### **4.4.6. Access to organised markets**

Access to organised markets is listed as one of the backbones of a fast-growing female enterprise. The characteristics of an organised market are known. Besides being closely guarded spaces, organised markets are high-value-driven segments. They are sometimes referred to as the markets for the chosen few or for elite firms. An enterprise seeking to enter these markets has to satisfy a myriad stringent pre-entry qualification criterion. For example, such an enterprise must command a sizeable market budget to mount a meaningful advertising campaign and its products and packaging must not only match the best quality in the world but also be barcoded and ISO compliant.

Unfortunately, most female enterprises lack either the required resource capacity or the deal-making acumen for a meaningful impact on the market and consequently resort to competing in the informal market where margins are relatively low. To drive a real women empowerment campaign, a genderised market access scheme should form an integral part of the empowerment mix.

*“In a tightly contested terrain, the majority of businesswomen lack the required deal making pedigree to wrestle market share from well-resourced rivals in the marketplace. Thus, organised markets are not playing grounds for emerging firms with meagre advertising budgets. One needs sufficient financial clout to cause a real upset in high-stake markets”.*

#### **4.4.7. Access to technology**

Any modern-day business worthy of the respect of its rivals needs to place emerging technologies at the centre of its growth mix. Most importantly, every 21<sup>st</sup> century entrepreneur knows that investing in cutting-edge technologies is not only the fastest way to outsmart its rivals but also the surest way to maximise its global competitiveness. Schwab (2022) is on record as saying that the 21<sup>st</sup> century belongs to women-owned enterprises with advanced technologies. Engaging in digital transformation will put a female-owned enterprise in a formidable position to, among other things, drive integration efficiencies, attain cost leadership, increase its global reach, create a new growth path, revolutionise the quality of its products, enhance its manufacturing and foster real-time connectivity with its increasingly digitally-skilled clients.

Regrettably, despite the widely acknowledged benefits of advanced technologies most female enterprises do not have the required resource capacity to mobilise them, thereby undermining their efforts to build scalable and agile enterprises. A study by the World Economic Forum (WEF, 2022) noted with concern that in the area of technological access, female-owned enterprises lagged behind their male counterparts – implying that females were more likely than their male counterparts to suffer from the digital gap. OECD (2021) suggests that propelling women into the

formal sector requires genderised technology linkage programmes. The current technology access programmes run by most government agencies have been widely criticised for their lack of gender sensitivity.

The following statement attributed to a report published by DTIC highlights the negative effects of the technology gap confronting female-owned enterprises:

*“Women enterprises cannot mount a serious challenge in a market that is characterised by fast-paced technological changes. Despite its propelling effect, the bad news is that few women have made a mark in the hi-tech sector because they lack sufficient budgets to acquire emerging technologies”.*

In a digital age like ours characterised by fast-paced disruptive technologies and global uncertainty, the need to build the technological capabilities of women entrepreneurs is not only an essential game changer but also a key underwriter for the success of their ventures. The idea of placing digital technologies at the heart of the women empowerment mix should therefore be treated as a vital empowerment concept.

#### **4.4.8. Skill scarcity**

Despite its recognisable game-changing effect on women empowerment, the majority of women who find the formal economy hard to penetrate cite skill scarcity as the major barrier. Skill scarcity is described as the dire shortage of mission-critical skills to maximise a business’s growth potential. Struggling female enterprises desperately need skills to transform their ventures into global hubs of innovation and supernormal growth. By investing in scalable skills, today’s female enterprises can be transformed into tomorrow’s blue-chip empires.

Like any other business, female enterprises need to attract and retain seasoned employees with uniquely blended skillsets to build resilient and scalable enterprises. In one of its sessions, the WEF noted,

*“Women participation in the formal economy is customarily hampered by the lack of a uniquely blended combination of technical knowhow, entrepreneurial acumen and deal making aptitude. The sad reality is that there are few development agencies in SA that offer genderised training budgets and skill development programs. In our view, a gendered training program is the panacea of the current skill drought ravaging most female enterprises”.*

As alluded to earlier, it is a known fact that most female-owned enterprises lack the requisite skills to effectively compete in highly contested business terrains. A study by the OECD (2021) revealed that 75% of women in sub-Saharan Africa with an interest in the hi-tech sector were neither digitally knowledgeable nor digitally literate, making it hard for them to compete effectively in globalised markets

#### **4.5. ANALYSIS OF EXISTING REMEDIAL MEASURES**

The question of why current remedial measures to propel more women into the formal economy lack impact has been answered by many scholars. Commonly cited reasons in literature are summarised below.

#### **4.5.1. Lack of genderised budgets**

As long as the current budgeting framework is not genderised or as long as fiscal authorities fail to fully recognise that enterprises owned by women and men are impacted differently by fiscal decisions and policies, it will be hard to achieve women empowerment targets enshrined in the SDG and by extension in the NDP. For example, the government's R3 trillion annual procurement budget is silent on what percentage of this budget is reserved for women-owned enterprises (OECD, 2021). The procurement budget remains a potent weapon in the hands of fiscal authorities to accelerate the frustratingly slow women empowerment journey. As it stands, there is no denying that few women are effectively tapping into this lucrative opportunity (World Bank, 2022). There is undoubtedly an urgent need for authorities to ring-fence a quota of the public procurement budget for women-owned enterprises.

#### **4.5.2. Lack of gendered monitoring and reporting pact**

Although widely considered a sound measure, setting firm and pragmatic women empowerment plans and targets can only yield the desired results if it is premised on a genderised monitoring pact. A genderised monitoring pact uses gender-aggregated data not only to demonstrate the progress made but also to detect and remedy potential deviations before they degenerate into complex gender gaps (DSBD, 2023)..

The unanimous view is that most development agencies tasked with driving women empowerment programmes do not have genderised monitoring accords, mechanisms and tools (Competition Commission, 2023). To compound the problem, the reports generated by most of these agencies are not premised on gender-aggregated data. The failure by both the public and private sectors to use gender-aggregated data in their reporting templates has been repeatedly identified as one of the reasons why women are not making meaningful inroads into the formal economy.



#### **4.5.3. Lack of shared accountability and leadership**

Absence of thought leadership and shared accountability is one of the main reasons why the current women empowerment strategies fail to deliver the intended results. Leadership is at the core of the lack of progress in transferring real economic power to women entrepreneurs. Evidence shows that the current generation of leaders in both the public and private spheres has not endorsed a shared women empowerment vision and approach. Whilst the government is pushing for a legislative-driven empowerment regime, the private sector is in favour of a voluntary approach in which private firms are conscience-driven to catapult women into the formal economy.

It is clear that the lack of national consensus coupled with the failure by successive administrations to hold leaders in the public and private sectors to account continue to frustrate ongoing efforts to speed up the transfer and redistribution of economic power into the hands of female companies (Mulugeta Woldegiorgis, 2022). In the absence of a genderised consequence management system, companies that flout preferential procurement regulations will continue to do so with impunity. A robust consequence management regime not only rids the system of the culture of impunity but also raises the cost of non-compliance with set women empowerment targets.

#### **4.5.4. Lack of gendered BBBEE implementation**

The persistent failure by the government and the private sector to drive a genderised BBBEE implementation regime has been mentioned as one of the reasons why the current empowerment strategies are failing to have a significant effect on women empowerment (Davis, 2022). Unfortunately, the current BBBEE environment is riddled by entrenched tender corruption which often manifests itself in the form of bribery, nepotism, favouritism and alleged insider trading (IMF, 2022).

Such a culture often exposes women bidders to the risk of sexual harassment, in which men demand sex in exchange for favourable tender decisions. In a highly sexualised corporate world like that in SA, this practice is rife, as evidenced by newspaper reports (Mulugeta Woldegiorgis, 2022). The only way to curb this vice is to not only raise the cost of tender corruption but also de-sexualise society. It also entails implementing a genderised BBBEE system to deliver a gender-neutral women empowerment compact.

#### **4.6. DISCUSSION OF FINDINGS**

Women's exclusion from the mainstream economy remains unresolved, leading some gender activists to describe the problem as the new pandemic. Regrettably, South Africa (SA) is not immune to this scourge. There is no denying that over the past decade, the issue has been receiving increased scholarly attention (Davis, 2022; Mulugeta Woldegiorgis, 2022; IMF, 2022; World Bank, 2022). This implies that women's exclusion from the formal economy remains a top item in many research boardrooms. Further, it suggests that current strategies to catalyse women's empowerment in lucrative sectors, especially in Africa, do not make a meaningful impact (DSBD, 2023).

This study calls for a new gender mainstreaming path – a path in which bold and concrete action to propel women into lucrative sectors of the economy are embedded in the policies of every institution. The study also advocates the demonstration of shared leadership and accountability to radically change the current discourse. The study further argues that for strong impact, the current practice of setting women empowerment targets that are not backed by a clear-cut accountability matrix should be relinquished.

The idea of empowering women by elevating them from the informal economy to the formal economy is inspired by the need to transfer real economic power to people who have for years suffered economic marginalisation largely due to the patriarchal nature of society. Real economic power and freedom are not currently the norm in the informal sector and real economic transfer and redistribution can only be actualised when efforts to integrate women into the formal economy are intensified.

In the context of this document the formal economy means those sectors of the economy that yield high volumes and margins to owners or shareholders. Examples of such sectors are manufacturing, mining, agro-processing, commercial agriculture, banking, insurance, exporting and importing. These are the sectors where real economic transfer takes place. The fact that even up to this day, most women entrepreneurs are struggling to penetrate high-margin sectors of the South African economy remains a cause of concern to policy makers.

It is clear that the current economic empowerment structure for women was not conceived with the unique needs of women entrepreneurs in mind. That in its current form and state the existing economic structure is tilted in favour of male-owned enterprises is widely recognised. It is also a fact that the current strategies to propel women to the centre of the formal economy are not working for women.

The formulation of a new women empowerment pact to catalyse women empowerment experiences in the mainstream economy should be a top policy priority. Such a pact should be backed by ethos of gender equity and equality, social justice and preferential treatment for it to maximise its empowerment value. Such a pact should also take a firm stance against the gender-based discrimination in the marketplace.

Equally important, there is a need to prioritise gendered initiatives to introduce sector-specific incentives; fine-tune the current legislative framework to improve its gender-sensitiveness and gender-centricity; apply a genderised monitoring and reporting template; equip women entrepreneurs with the right mix of technical, entrepreneurial and deal-making skills and acumen; remove access barriers to vital lines of credit and non-interest bearing funding; strengthen the current consequence management framework to drive compliance rates; rally leaders in the private and public sphere around a shared women empowerment consensus and vision; make women empowerment part of the DNA of society by promoting a new gendered social contract; and rethink the patriarchal worldview that encourages the sexualisation of the corporate world.

#### **4.7. CONCLUSION**

Chapter four offered a wide range of scholarly reflections on underlying factors that perpetuate the exclusion of women entrepreneurs from the formal economy. It is clear that these factors manifest in three main forms: historical – hindering factors that were inherited from SA's largely racialised segregated development; structural – prohibiting factors related to how the current factors of production are structured in terms of access, control and ownership; and cultural – impeding factors that are embedded in the patriarchal nature of society. Likewise, strategies to improve the women empowerment environment are grouped into three main categories: the need to revisit the legislative and policy framework to improve its gender fit; the need to rethink the current economic structure to strengthen its gender equality; and the need to transform the current cultural template to enhance its gender centricity. The next chapter outlines the conclusions and recommendations.

## **CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS**

### **5.1. INTRODUCTION**

Besides highlighting the study's key conclusions, this chapter offers recommendations to catalyse the entry of more women into the formal economy. The process of framing these conclusions is mainly guided by the study's objectives and its key findings. Once the conclusions have been drawn, the remaining critical step is to recommend strategies to accelerate the elevation of women from the informal economy to the formal economy.

As alluded to earlier, this study was built on three major assumptions, namely (1) the widely acknowledged fact that the majority of women entrepreneurs are confined to low-margin and low-volume sectors of the economy (which are highly informalized and not well structured), (2) that real economic freedom for women lies in the formal sector whose ownership and control are largely tilted in favour of male-owned companies and (3) that most strategies to elevate women to the formal economy are evidently failing women entrepreneurs and that women are not reaping any meaningful benefits from them.

### **5.2. CONCLUSIONS**

In light of this, the study addressed the following objectives:

- **To examine factors hindering women entrepreneurs to participate meaningfully in the mainstream economy in South Africa**

The primary aim was to determine the exact factors that either (1) confined enterprising women to low-margin and low-volume sectors of the economy or (2) hindered them from penetrating the formal economy where real economic power and influence lie. Understanding these root causes made it easier to craft novel and actionable solutions.

**Regarding objective 1, the following conclusions were drawn:**

The factors that perpetuate the exclusion of women from the formal economy are grouped into three main clusters, namely: historical factors – represented by hindering factors inherited from SA's predominantly racialised and sexualised development policies; structural factors – impeding factors that stem from the way in which the control of and access to the means of production were appropriated by men and passed from generation to generation; and (3) cultural factors – hindering factors related to the way the economic roles of women and men are socialised and embedded in the DNA of the culture, norms and beliefs.

- **To evaluate the effectiveness of ongoing strategies to elevate women entrepreneurs into the mainstream economy**

There is no denying that current strategies are not catalysing the integration of women into the formal economy where real wealth transfer opportunities lie. The reasons why such strategies have failed to yield the desired results were the subject of this inquiry.

**Concerning Objective 2, the following conclusions were reached:**

In an environment where a shared national consensus on, and vision for, women empowerment is non-existent; where there is no real political will at the top to send a bold and emphatic message about women empowerment; where fiscal authorities persistently under-appreciate the effect of gendered fiscal decisions and policies;

where a gendered monitoring and reporting culture is absent from the public and private sector spheres; and where the incentives to level the playing field in a highly sexualised marketplace are clearly inadequate, the current strategies to integrate women into the formal economy are bound to fail.

- **To recommend strategies to improve women's participation in the mainstream economy.**

Given the discussions above, it is clear that a new generation of strategies to propel more enterprising women into the formal economy is urgently needed, hence this objective was intended to trigger the rethinking and reformulation of such strategies to improve their novelty, efficacy and impact.

### **5.3. RECOMMENDATIONS**

**Regarding objective 3, the following recommendations are made:**

This study encourages the government to place women empowerment at the top of its policy agenda; bring back the women empowerment topic on to the public discourse to reignite it; implement a mix of gendered incentives to level up the play field; foster a gendered budgeting and reporting culture; hold the public and private sectors accountable, using genderised monitoring metrics; allocate more funding for gender-based research; make women empowerment part of the performance DNA of public and private institutions; and eradicate the sexualisation of the marketplace by introducing gender-neutral policies.

#### **5.4. SUGGESTIONS FOR FURTHER RESEARCH**

Whilst this study examined underlying factors keeping women from participating in the formal economy in somewhat exhaustive detail, future studies should focus on how digital technologies can be used as a potent tool to catalyse women empowerment. Women need to play frontline roles in driving the 4<sup>th</sup> industrial revolution. Given the fast-paced nature of the digital technologies and the widening digital divide between men and women, a gendered programme to improve the participation of women in the digital economy is urgently needed.

#### **5.5. CONTRIBUTION TO THE BODY OF KNOWLEDGE**

This study not only brings a new perspective to the legislative-driven women empowerment discourse but also strongly advocates for the transformation of gender empowerment theories so as to reflect the latest trends arising from an increasingly globalised and sexualised social media space. Regrettably, the current economic and social landscape has rendered classical gender theories ineffective and unfit for purpose, implying the need to formulate a new gender empowerment construct which firmly places digital technologies at the centre of women empowerment. Such a construct will certainly thrust modern-day female entrepreneurs into economic empowerment spaces which their counterparts in the olden days only dreamed to have. As the operating environment evolves at a faster pace, rethinking the current generation of women empowerment strategies becomes both a global and national imperative.

#### **5.6. CONCLUSION**

In a world characterised by multiple cases of social and economic injustice and entrenched prejudice against vulnerable groups such as women and children, introducing affirmative action programmes to robustly drive the economic advancement of women is the moral duty of every caring government and



organisation. Various studies have shown that empowering women has a positive bearing on household income. The dominant view is that capacitating female entrepreneurs is a potent tool to shield children and families from the harsh realities of poverty, inequality and unemployment.

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## **APPENDIX A: DOCUMENT ANALYSIS SCHEDULE**

**ETHICAL CLEARANCE CERTIFICATE**