South African Women Entrepreneurs
A burgeoning force in our economy
A Special Report 2005
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Introducing the new Deputy Minister of Trade and Industry
The Department of Industry – the dti has over the last few years undertaken a range of initiatives to promote and support the economic empowerment of women. These include the holding of a number of conferences, the establishment of the South African Women’s Empowerment Network, and commissioning of studies looking at the internal operations and external impact of both the dti and its associated institutions from a gender perspective. The women’s empowerment thrust has the backing of the top decision-makers in the department and ministry.

As we move forward, working hard towards fast-tracking and advancing women’s economic empowerment, we have realised the importance of having reliable current information on the status as well as the profile of our women entrepreneurs. Such information is critical to us and will play a vital role in assisting us to make a fair assessment of the representation and participation of women in business in our economy. Many conclusions have been drawn in the past on the status and profile of South African women in business, particularly those owning and managing small- to medium-sized enterprises. Unfortunately, such conclusions are based on opinions and perceptions of individuals, largely supported and perpetuated by the media.

As a leading economic government department, we believe it is our responsibility to initiate a process of generating factual, comprehensive and proven data about women entrepreneurs. This is the main key towards ensuring our programmes encourage the economic empowerment of women in a more valuable way. We are committed to finding ways of promoting the economic empowerment of women entrepreneurs, whether they be small, survivalist operators or businesswomen engaging in larger enterprises. This could be achieved, on the one hand, by ensuring that existing programmes take account of women’s situation. On the other hand, it might also involve some women-targeted programmes to fast-track empowerment. Reliable data lies at the center of this. It is the basis for planning successful interventions. This research report details the outcome of our first literature survey to assess the need for a much broader in-depth study.

I trust it provides some light to many of us who want to make a difference out there and grow women entrepreneurship for a prosperous South African economy.

Lindiwe Hendricks: MP
The Former Deputy Minister of Trade and Industry
The dti remains deeply committed to the mainstreaming of gender equality in the South African economy. "Women Entrepreneurs in South Africa" is the subject of this report, the first of a two-phase study, commissioned by the Gender and Women Empowerment (GWE) Unit within the Enterprise and Industry Development Division (EIDD) of the dti, on behalf of the South African Women Entrepreneurs’ Network (SAWEN).

This study aims to:

- Provide information for the programme strategies and influence policy-making within the GWE Unit and SAWEN;
- Enhance understanding of the profile of women entrepreneurs in South Africa;
- Examine the contextual influences on their work;
- Raise the level of awareness of women entrepreneurs amongst all economically active agents; and
- Contribute to, or influence, economically influential sectors of society, be it directly or indirectly.

Introduction

No economically successful country can run using less than half of its business resources. South Africa is no exception. Women in South Africa make up over half the business force and their contribution has not been adequately nurtured. This study seeks to highlight the problems, the solutions and the way ahead.

In an attempt to address the unavailability of current nationally representative data, the dti GWE Unit commissioned a Desktop Study in 2004 to highlight the overall status of South African women in business, with a special focus on self-employed women. Several factors were identified that affect women entrepreneurs in South Africa and included the following:

- Race, gender and geographic location;
- Poverty;
- Landlessness;
- Vulnerability;
- Education;
- Family responsibilities; and
- HIV/AIDS.

The study also identified factors such as access to capital, labour issues, inadequate education and training as well as discrimination as major constraints affecting the establishment as well as the expansion of women’s entrepreneurial activities. Women normally rely on personal income to provide the initial finance for their enterprises. Alarmingly, the study highlighted the fact that 42% of women earn between R1 and R750 per month. The study also highlighted the fact that the majority of females are involved in lower-level occupations.
When looking at the family status, 27% are responsible for five or more members per household and 43% of them are married or live with a partner.
In terms of providing proof of identity to the financial institutions under the FICA Act, 90% say they can produce and ID document but fewer than 30% can produce an ESKOM account. Far fewer than 10% can provide any other form of identification.

In terms of education, 35% of Black self-employed females has some high school education.

These are just some of the realities facing female entrepreneurs in South Africa.

29% of black women still do not have bank accounts. Most have a basic ATM card and a savings account. Very few have progressed to sophisticated products like a cheque account, credit card, vehicle finance and so forth.
Entrepreneurship lies at the heart of job creation, black economic empowerment and bringing the “second” economy into the mainstream economy. Studies show that by international and African standards, South Africa can do much more to achieve its full SME potential – and women entrepreneurs lie at the heart of this.

2. Methodology used in this study

There is a dearth of empirical studies on women entrepreneurs in South Africa, in spite of the widely recognised fact that it is one of the important sectors of the economy with great potential to contribute to economic growth, economic development and employment generation. The data available only skims the surface and helps to scrutinise the important issues in relation to the entrepreneurial activities of South African women.

In view of the fact that the literature on women entrepreneurs in developing countries is limited and that the literature on women entrepreneurs in industrialised countries may not be relevant, the present study was aimed primarily at theory-building rather than theory-testing.

To guide future research, a new perspective on women entrepreneurs is proposed and research questions, methods, and implications are discussed.

This study reviews empirical research studies on women entrepreneurs and their ventures, classifies the studies in a framework, and summarises trends emerging from this research. Statistical analysis techniques used in this study have been consistent with the descriptive focus of the research. Qualitative studies employing qualitative analysis are similarly more recent and also few in number.

This study departs from earlier research on women entrepreneurs in two ways. First, it focuses on research on women entrepreneurs internationally (USA/EU) and regionally (Africa). Second, adopting a symbolic interactionist approach, it tries to take a closer look at women entrepreneurs nationally (South Africa), taking into
account the unique socio-cultural setting of South Africa as a developing country.

The starting point of this research study is that women entrepreneurs face different issues, depending on the stage of their personal life cycle, region or industry of location and role perceptions in entrepreneurship. The researchers recognise that the process of starting a business is highly interactive and that it is a combination of personality as well as environmental factors that motivates people. Hence, the lead for this research has been taken from the more recent, holistic studies on women entrepreneurs. The aim of this study is not to provide generalisations concerning women entrepreneurs, but to provide an initial basis for deepening our conceptual understanding of women entrepreneurs in South Africa.

3. Why do women become entrepreneurs?

Motivation for women entrepreneurs is linked to career selection. Key indicators include the level of education and training, individual desires, career-entry expectations and career self-sufficiency (Scherer, Brodzinski and Wiebe, 1990), academic ability and peer aspirations (Scherer, et al., 1990); socio-economic background and the ability to overcome cultural conditioning and learning experiences (Birley, 1989); differences in orientation and motivations (Brush, 1992); and race and culture.

Women business owners cite a number of reasons for becoming entrepreneurs. An analysis of the main reasons suggests the following trends:

- Challenges/attractions of entrepreneurship;
- Self-determination/autonomy;
- Family concerns – balancing career and family;
- Lack of career advancement/discrimination; and
- Organisational dynamics-power/politics (Moore, 2003).

The desire to make a social contribution is also a strong motivating factor for women entrepreneurs (Gilligan, 1982). Helping others has been found to be a key factor in women choosing to become business owners (Thompson and Hood, 1991).

Research suggested that this caring attitude manifests in women's leadership styles (Chaganti, 1986) and that goals other than economic growth guide women's businesses (Brush, 1992).

3.1 Challenges and obstacles

Women generally lack the necessary resources for starting and developing their own businesses. Resources critical for success are the assets that women bring with them to the entrepreneurial process in the form of human capital (formal and occupational experiences) and the entrepreneur's ability to access resources in the environment (e.g. capital, suppliers, customers). Human capital is derived through investment in education and training. Research supported the theory that women have been impeded from acquiring adequate levels of human capital because of social and cultural forces (Chusmir, 1983).

Socio-cultural constraints have limited women's access to a meaningful business experience (Cromie and Hayes, 1988), and led to careers interrupted by family obligations (Kaplan, 1998). They have less human capital for the management and development of their businesses. Demands on human capital, in terms of education and experience, are specific to the nature
of the entrepreneurial venture, and hence vary between industries etc. Additionally, barriers have been seen to impede women's access to financial resources (Carter and Allen, 1992).

Thus the main obstacles that women face in business are educational and work background, psychological characteristics, motivation, perception and career efficacy, training and skills development, comparative earning levels, management practices, external networking, desire to succeed and other obstacles (Birley, 1989; Bush 1992; Dumas, 2001; Robinson, 2001; Scherer, et al., 1990; Stevenson, 1986).

The lack of management skills and low levels of management training are issues facing women's entrepreneurial ventures, particularly in the case of micro enterprises.

Support organisations cite a lack of sales and marketing skills as the most commonly reported problem faced by female entrepreneurs, after finance.

3.2 Support

As women are an emerging sector in the global business environment, support is a potentially important means of raising the level of entrepreneurship in society overall. Support for women in business encompasses the following interventions:

- Encouraging and assisting relevant business support initiatives;
- General information and education programmes;
- Mentoring programmes; and
- Support for networking structures.

The probability of a woman becoming an entrepreneur can be increased by exposure of the individual to formal learning experiences and to the tasks associated with owning a business. This exposure can be accomplished through mentors or role models in the workplace, home, career guidance, internships, and cooperative education programmes (Scherer, et al., 1990).

Effective networking that aims to inform women entrepreneurs about policies may have secondary benefits in terms of encouraging women in business. Given the increasingly international nature of the business environment, there is a case for introducing specific measures to enable women entrepreneurs to communicate with their counterparts in other countries (CEEDR, 2003).

Three types of support were evidenced: Operational support represents the amount of support provided in the way of advice and or expertise. Emotional support considers the encouragement provided to the participants by others and Financial support is the importance of the financial resources provided by others (Anna, Gaylen, & Chandler, 1999).
4. Women in business: the global context

Women entrepreneurs in developed countries enjoy an advantage over those in developing countries in that they have access to greater support from women mentors and role models and easier access to formal training in the principles of business planning and organisation. Furthermore, access to capital and the acceptance of women as business owners and women in the workplace has dramatically improved (Sherman, 2003). Where women in developed countries do face obstacles, these are societal and based on old norms.

Women entrepreneurs are a driving force in today's modern economy. They shape and redefine the workplace, business networks, financial institutions and culture. There are a number of initiatives designed to motivate women entrepreneurs. Studies show that the experience of women in business is different from those of men. There are profound gender differences in both women's experiences of business ownership, and the performance of women-owned firms (Carter, 2000).

Most of the research on women entrepreneurs, limited largely to women in developed countries, has tended to concentrate on unique aspects of the entrepreneurship of women. The studies investigate the demographic characteristics of women (Hisrich and Brush, 1983; Watkins and Watkins, 1983), their motivations/reasons for start-up (Watkins and Watkins, 1983; Cromie, 1987; Sundin and Holmquist, 1991) and the constraints/barriers that women face in starting up. There are few studies that look at differences in individual characteristics across groups of women (Brush, 1992; Carter and Cannon, 1992; Pelligrino and Reece, 1982). The research that has been done indicates that women face different issues, depending on the stage of their personal life cycle (Kaplan, 1988) region or industry of location (Holmquist and Sundin, 1988), and role perceptions in business ownership (Goffee and Scase, 1985).

Understanding the different goals that women have for entrepreneurship in the global context, and the relationship between these goals and the structural factors that influence women’s entrepreneurship, will be of great help to researchers, planners, as well as practitioners working to promote women entrepreneurs in developing countries, especially on the African continent. This understanding can lead to the development of an “African paradigm”, more finely tuned policies and programmes of support for women entrepreneurs.

5. Women in business: the African context

There are very few studies on women entrepreneurs in Africa. This is largely due to the lack of indigenous research studies, lack of information, lack and limitation in contextual African methodologies, lack of relevant and up-to-date data and appropriate instruments of measure and problems of access to African women entrepreneurs in most African cultures and countries. African women entrepreneurs follow a path that is in most cases different from entrepreneurial activities in the developed countries of the West in an attempt to find an African answer to the applicability of models and theories developed in other parts of the world. In Africa, entrepreneurial activities are gendered in terms of access, control and remuneration. Many women tend to be in small sector microenterprises, mainly in the informal sector. It is inappropriate and undesirable for Africa to import entrepreneurial techniques wholesale from developed countries.

Nevertheless, recognition is growing that, in Africa, women make a vital contribution to
economic development. Yet gender continues to have a negative impact on economic development within the African continent. Africa’s own economic transition into the new millennium has affected men and women differently. In many countries women still do not have equal economic rights and access to resources. Under these conditions women are unable to take full advantage of the economic opportunities presented by transition (Hendricks, 2000).

Women entrepreneurs in most countries in Africa are severely constrained by factors such as the collapse of the official banking systems, poor transportation systems, the unavailability of foreign exchange, the decline in public services and administration, the collapse of supply systems, harassment, extortion and arrest of entrepreneurs for illegal activities. Women suffer from lack of critical resources.

Women in Africa tend to work in small-scale enterprises. African women in informal sector activities seem to be the norm on the continent. Engendered access to control and remuneration creates handicaps that include: insufficient capital, limited expansion and women’s networks being restricted to microentrepreneurial activities. Female solidarity has had little success in the face of culture, class, ethnic and socio-economic differences (Horn, 1998).

Robertson (1998) identifies the major constraints to the expansion of entrepreneurial activities for African women entrepreneurs as lack of capital, landlessness, labour, education, family, discrimination and training.

It can be concluded that the key challenges facing women entrepreneurs in Africa are:

- Inadequate access to formal credit;
- Vulnerability of women to adverse effects of trade reform;
- Restraints with regard to assets (land);
- Lack of information to exploit opportunities; and
- Poor mobilisation of women entrepreneurs.

For sustainable development to succeed in Africa, the participation of women in the economy needs to be promoted by reducing poverty amongst females, increasing their access to educational opportunities and enhancing their access to power and decision-making.

Our clear understanding of the full range of indigenous women’s entrepreneurial activities in Africa, from small-scale trade in the informal sector to large-scale enterprises, will enable us to put the importance of African women entrepreneurs to economic growth on the agenda of international development agencies, as well as African governments.

6. Women in business: South Africa

Women entrepreneurs in South Africa remain on the periphery of the national economy. The concentration of activities of women in business is located in the areas of crafts, hawking, personal services and the retail sector. There are low participation levels of women entrepreneurs in value-adding business opportunities. Some of the chief barriers to promoting women in business include cultural and societal problems, the psychological impact of cultural norms, employment legislation and policy, lack of information, training, finance, markets, technology and business infrastructure, absence of vehicles for skills development and capacity building, fragmented approaches to identifying issues and developing strategy to influence policy affecting business and government interventions. Accordingly, more and more women are taking the route to informal sector entrepreneurship (Bolas and Valle, 2003; Erwee, 1987; Mahadea, 2001).
The low absorption capacity of the formal economy has forced people to adopt diverse income-generating strategies. These strategies, aimed at ensuring “sustainable livelihoods”, have mostly been only successful for households that possess labour, human capital, productive assets and social capital. The study shows that income sources vary significantly between households in formal housing, informal settlements and backyard shacks. The livelihood strategies of the poor and ultra poor are considerably more varied than those of others.

For government and the dti women are a critical component for alleviating poverty as a national priority and for the promotion of BEE.

6.1 Factors affecting women entrepreneurs in South Africa

While South Africa has long recognised the need to support entrepreneurship to boost economic growth and job creation, the existing policy interventions and programmes are not having the anticipated impact. The narrowing of the gap between the growth in women entrepreneurship and the contextual reality is contingent on skills training and tertiary education; removal of hidden and subtle gender discrimination; change in existing prejudices and stereotypes regarding the role of women in a male-dominated economy; the demand for socio-economic rights; and policy advocacy. The effective voice of women in business must shift from the survivalist sector to small business ventures and medium to large-scale enterprises. (the dti, 2001; “South Africa: Economic Policy Analysis”, 2000; Khosa, 2000; Miller, 2003).

Race, gender and geographic location

Entrepreneurship in South Africa is affected by a number of factors including race, gender and location. The statistics on gender in the economy reveal large differences between women and men and between black and white women.

Because of the limited opportunities in the formal employment sector, many women, and especially black women, are forced to work in the poorly paid and largely unregulated informal sector. Access and control over resources is still based on ‘race’, gender and class. Consequently South Africa remains characterised by extreme poverty, social disintegration, mass unemployment and the exclusion of the majority of people from socio-economic development and growth (Kehler, 2000). There is still a vast gap between de jure and de facto equality (du Plessis, and Gouws, 1996).

Poverty

A number of factors contribute towards the poverty of women in South Africa. The gendered division of labour in the household, the low value accorded to women’s work with the concomitant clustering of women in low-paid jobs contributes to female poverty.

Although the position of some people from previously disadvantaged groups has improved, this improvement merely seems to indicate that the specific character of inequality is changing from being race-based to being class-based. However, the racial dimension of poverty in South Africa is still profound, with income patterns highly skewed against Africans. The plight of the poor is exacerbated by a lack of basic services, poor housing and inadequate infrastructure. African women have been worst affected by poverty.

Land

Historical factors and unequal gender relations continue to hinder women’s access to land and control over resources in a number of ways: Women’s land rights are still limited and insecure (Brohman, 1996; Pose, 1999; World Bank, 1990).

Family responsibility

Pressure to run a home, look after children and care for the husband and family limit
women. Negative economic development impacts negatively on women as they have to cope with taking care of children, often as single parents (Morris and Brennan, 2003; Ndu, 1997; Paper, 2000; Portes, 1999).

**HIV/AIDS**

HIV/AIDS has a direct effect on women's entrepreneurship in South Africa. It is imperative that all community/family/business networks be engaged in the process of building the social and cultural capital required to address the problems (Cabinet Memorandum, 1996, unpublished; Gilbert and Walker, 2002).

**Education and training**

Women entrepreneurs are ill-equipped educationally and financially. Training requires preparation of targets, budgets and knowledge of business performance. Communication technologies, in some instances, still contribute towards the negative or degrading portrayal of women (Brohman, 1996; Cabinet Memorandum, 1996, unpublished; Maistry, 1999; Ndu, 1997).

**Access to finance**

Black women entrepreneurs are denied access to affordable financial services (Brohman, 1996; the dti, 2004; World Bank, 1990).

The nature of the many challenges and obstacles facing women entrepreneurs suggest that their full economic potential is not actualised and women do not feature on the mainstream of the economic agenda.

In summary, the major constraints on women entrepreneurs in South Africa include:
- Role barriers; and
- Behavioral barriers.

(Bolas and Valle, 2003)

6.2 Support for women entrepreneurs

Support provisioning for women entrepreneurs includes:
- Education from dependency and entitlement to self-sufficiency and economic growth;
- Development/facilitation of information and communication technologies that bridge the gap between new enterprises and established businesses;
- Establishment of networking links, international partnerships, community participation and access to national and global markets;
- Development of partnerships between stakeholders (government, private sector, NGOs, trading partners);
- Provision of business skills training, facilitation of business incubation, mentoring and support services;
- Establishment of appropriate changes to trade, investment and tax policies that promote sustainability and does not stifle the economic dream of women entrepreneurs; and

6.3 Black economic empowerment

In furthering its objective to provide inputs on economic policies affecting their enterprises SAWEN made valuable input into the formulation of the Black Economic Empowerment Bill and strategy by government (SAWEN, undated).

In August 2002, at the NEDLAC Financial Sector Summit, the financial sector committed itself to the development of a BEE charter.
The Project on Statistics on Living Standards and Development (PSLSD) data identify eight income-generating activities of poor rural households:

- Agricultural production, which includes growing food and fibre for exchange as well as for sale;
- Distribution, which refers to the sale of food and manufactured products;
- Petty commodity production, which ranges from the manufacture of clothing and other commodities to the construction of houses;
- Niche services or services with a competitive advantage, like back-yard mechanics, child minding, traditional healing, taxi services etc.;
- Wage labour, which refers both to well-paid jobs offering career advancement (primary market) and poorly paid and insecure jobs (secondary market);
- Claims against the state, in the form of pensions, disability grants, child support etc.;
- Claims against households, which refer to remittances and other claims against relatives and community members; and
- Unpaid domestic labour, which is the unremunerated work performed mostly by women (Adelzadeh, Alvillar, & Mather, 1995).

7.1 The informal economy

In an economy where labour absorption has declined rapidly, the development potential of the informal economy for urban and rural households grows. The informal economy can be divided into “survivalists” and “informal entrepreneurs”, respectively comprising 83% and 61% Africans.

In terms of how and where people work and trade, the informal economy shows the clear impact of race and gender. African micro enterprises are typically located in the poorest and least lucrative segments of the informal sector. Women tend to be engaged in the least profitable activities and dominate “overtraded” sectors such as hawking (Adelzadeh, et al., 1995).

7.2 Constraints to job creation and poverty alleviation

Poverty is itself a major structural constraint to sustainable growth in South Africa. A more equitable income distribution is necessary to achieve sustainable growth, a notion that is supported by recent theoretical and empirical evidence. In addition to poverty, two other crucial factors constraining sustainable growth: South Africa’s economic structure and the overall policy framework.

In South Africa men are 1.7 times more likely than women to be involved in entrepreneurial activity. Total entrepreneurial activity rates vary significantly across regions, ranging from 9.9% in Gauteng to 3.1% in the Northern Cape and North West. The difference in prevalence rates is due to differences in opportunity-based entrepreneurial activity rates, which are significantly higher in Gauteng and the Western Cape than in other provinces.

There is considerable variation in total entrepreneurial activity across the regions. Total entrepreneurial activity rates range from 9.9% in Gauteng to 3.0% in the Northern Cape and North West. Gauteng and the Western Cape have the highest levels of entrepreneurial activity, although the difference between them is not significant. Entrepreneurial activity in KwaZulu-Natal is significantly different from either the Western Cape or the Free State. The Free State and the Eastern Cape have similar rates of entrepreneurial activity, which are slightly over half the rate in Gauteng, Mpumalanga and Limpopo and the Northern Cape and the North West. Overall the higher activity levels in Gauteng and the Western Cape considerably boost entrepreneurial activity in South Africa (GEM, 2003).

In South Africa, for the combined period 2001 and 2002, the total entrepreneurial activity rate for men is 8.1% compared to 4.9% for women. Men are 1.7 times more likely to be involved in entrepreneurial
activity than women. This is slightly higher than the corresponding global average for 2002 of 1.6 times more. The overall difference between entrepreneurial activity rates of men and women in South Africa is largely due to the much higher opportunity entrepreneurial activity rates amongst men. Men are twice as likely to be involved in opportunity entrepreneurship than women.

One factor that appears to account for the lower level of entrepreneurial activity in South Africa relative to other countries is the lower proportion of people who believe they have the skills to start a business. This appears to be primarily due to the much lower proportion of Black Africans in South Africa who believe they have the skills to start a business (GEM, 2003).

In South Africa, 18% of the national experts identified the lack of adequate financial support as a major weakness in the national environment for entrepreneurial activity. This was the second most frequently mentioned weakness in South Africa (GEM, 2003).

By comparison with other GEM developing countries South Africa is weakest in terms of new firm and established firm entrepreneurship, both of which are primary sites of job creation. This suggests that the economic contribution of South Africa's entrepreneurial sector is well below the developing country norm (GEM, 2003).

7.3 Government policy

Whilst it is strategically important for the government to target ‘women’s entrepreneurship’ in South Africa for policy attention, it is critically important to address the limitations and exclusions of issues affecting women entrepreneurs and the ways in which these are interred within policy and state regulatory practices (McEwan, 2000; Manicom, 1997, unpublished). Government policy and the availability of inputs determine the success of women’s business enterprises:

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<td>Trade</td>
<td>Access to raw materials</td>
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<tr>
<td>Monetary and fiscal</td>
<td>Access to finance</td>
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<tr>
<td>Education, training and</td>
<td>Availability of skilled human resources</td>
</tr>
<tr>
<td>labour</td>
<td></td>
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<tr>
<td>Finance</td>
<td>Access to capital equipment</td>
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<tr>
<td>Infrastructure/</td>
<td>Access to power, utilities, communication</td>
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<td>development</td>
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There is an urgent need for more government involvement in women's entrepreneurial development and greater emphasis should be placed on funding women entrepreneurship in South Africa. Adequate government funding is crucial to the development of women's entrepreneurship. In this regard Budlender (2000) draws attention to an important point, that while there is institutional support from within government for the “Women's Budget” it is the responsibility of parliamentarians and civil society to ensure that it continues to produce gender-disaggregated data and analysis of its activities and expenditure. Support institutions that facilitate women's entrepreneurial ventures and make its operations efficient and effective are important in enterprise development.

The quality of social life in a society is one of the most powerful determinants of health strategies in addressing the effects of HIV/AIDS on women entrepreneurs in South Africa. Researchers have emphasised the important role that social networking plays in the entrepreneurial development of women (Bird, 1989; Brush, 1992; Research on Women business owners, 2000).

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Given the scarcity of women’s entrepreneurial studies and their relationship to women-owned businesses, it is difficult to draw substantive conclusions. Most international studies have attempted to study women entrepreneurs in the formal sector. Studies on women entrepreneurs in Africa and South Africa relate largely to those who are uneducated and poor, working in the rural areas or the urban informal sectors. Furthermore, most of these studies tended to focus on issues from a microeconomic perspective. They assume that women entrepreneurs in developing countries are a homogeneous group, with similar experiences in starting a business.

Most research on women entrepreneurs internationally is focused on the “individual”: demographic background, psychological characteristics, motivations, and educational and occupational experiences. Other studies examined aspects of women entrepreneurs, such as strategy, problems, management style, and start-up activities such as the acquisition of capital and networking behaviour. In Europe and the USA there is a prevalence of descriptive cross-sectional research that investigates women entrepreneurs and describes their characteristics and activities.

The organisational characteristics of women-owned businesses internationally, in Africa and South Africa are similar. But forms of business, sectors of business and business problems vary in marketing levels, management styles, goals and severity of financial obstacles at start-up.

Strategic establishment and management aspects of women-owned businesses have not been investigated globally, in Africa and in South Africa. This is to be expected since women entrepreneurs in South Africa are a neglected and marginalised category. There are no empirical research studies on women entrepreneurs and inclusive state lists of women entrepreneurs are not available.

South African women are similar to women entrepreneurs internationally and in Africa across some basic demographic factors, problems, and business characteristics, but they differ widely.
from their international and African counterparts across individual dimensions related to education, work experience, skills, business start-ups, business goals, problems, and performance.

Similar to their international counterparts, women entrepreneurs in Africa and South Africa tend to face domestic demands. They are still more likely to be the primary parent, emotional nurturer, and housekeeper. Given the patriarchal systems applicable in Africa and South Africa women entrepreneurs are not usually relieved of their domestic responsibilities when they start a business and are thus more likely to face conflicting demands between their business and family responsibilities.

While several international studies conclude that women have little difficulty in accessing institutional finance, the limited available information on African and South African women entrepreneurs suggests that women tend to rely on personal assets at start-up and have employed none or minimal external funding.

In the area of support systems, there is evidence that women business owners tend to have many strong supporters and in particular, a spouse or significant other seems to be an important factor for successful women entrepreneurs. It is difficult to say if these support systems differ for African and South African women entrepreneurs, as research data is not available to draw accurate conclusions. Generalisations are not possible or justified.

Research studies in most countries internationally and in some countries in Africa provide evidence that women entrepreneurs have become an important part of the growth of diverse economic trends. Against difficult odds and multitudinous barriers, African women entrepreneurs apply their creativity and innovation to establish enterprises. They forge new paths, design new careers, face new challenges and progress beyond the limits of global politics and new market economies. With determination and drive they inch their way forward to make gains that will advance women entrepreneurs in the global competitive economies.

Notwithstanding persistent gender disparities, unequal, underestimated economic rights, limited resources, grinding poverty, adverse effects of trade reform, armed conflicts, and transition economies, African women entrepreneurs, unlike their international counterparts, pursue economic empowerment and meaningful participation in economic development and sustainable livelihoods.

Are the experiences of women entrepreneurs internationally and in Africa attributable to entrepreneurship and its expression in South Africa? What are the constraints? And where does the potential lie? How will women entrepreneurs in South Africa contribute to economic growth? Do South African women entrepreneurs follow the same or different paths than entrepreneurs in other regions of the world?

The challenge is to work at innovations that are particularly South African and of an indigenous nature that have universal application so that women entrepreneurs can enter the world market as a responsible business community and an economic force.
9. Conclusion

This study reviewed literature presenting empirical research on women entrepreneurs internationally, in Africa and South Africa. A common finding in the entrepreneurship literature and one that is supported by this study is that women entrepreneurs are expected to increase rapidly in the next decade and that they are expected to make an important contribution to their national economies. The validity of this assumption has been examined to some extent in the data presented in this study. In part, it captures the approaches of women entrepreneurs to business ventures, to economic empowerment and growth through their own experiences.

As a comparative study across continents, countries, regions and economic status, this study makes an important and timely contribution to the broader entrepreneurship literature and to an increased understanding of women entrepreneurs globally.

Rather than depend on predefined portraits, this study concludes that further research is needed that would present a realistic profile of women entrepreneurs in South Africa and make a meaningful contribution to women's business success, personal achievement and multiple societal and national developmental objectives that promote sustainable livelihoods. To take this forward, we have commissioned an in-depth study to critically assess the status quo of our women entrepreneurs. We look forward to the outcome of this study, which will be the backbone of our draft strategic framework on Gender and Women's Economic Empowerment for 2005. Again, we will share the report with all of you.

Ms Mmabatho Matiwane
Head: Gender and Women’s Economic Empowerment Unit
Introducing the new Deputy Minister of Trade and Industry

Elizabeth Thabethe

Born and raised in the East Rand, Katlehong, Gauteng.

Current

- Deputy Minister of Trade and Industry (appointed on 23 June 2005).

Career/Memberships/Positions/Other Activities

- Member of the ANC Majority/Ruling Party – at the Provincial Executive Committee (PEC) of the Gauteng Women's League;
- Deputy Chairperson of the ANC Women's League in Gauteng;
- Member of Ekurhuleni Region of the ANC Regional Executive Committee;
- Co-coordinator of the East Rand Women’s League RTT structure;
- Member of Parliament since 1994 under the Presidency of Rolihlahla Nelson Mandela, and currently serving a second democratic term under President Thabo Mbeki;
- Appointed as Provincial Whip and House Whip from 1996 – 2004;
- 2004 – 22 June 2005: Elected as Chairperson of the Portfolio Committee on Environmental Affairs and Tourism.

Before 1994, she participated within the ANC structures and Labour movement under COSATU Federation and Chemical Workers Trade Union for approximately 12 years.

She is a trade unionist and held several positions in COSATU, CWIU and is a staunch campaigner for the advancement of women’s rights, a subject she is extremely passionate about.