competition commission south africa

PROMOTING EFFECTIVE ENTRY AND PARTICIPATION OF

WOMEN ENTREPRENEURS IN THE SOUTH AFRICAN ECONOMY

Pro-competitive Principles for Government and Non-Government Stakeholders

June 2023

a growing, deconcentrated and inclusive economy

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INTRODUCTION

Competitive markets allow consumers to benefit from low prices, better quality of goods and services, innovation and more choice. For markets to be competitive they need to be accessible to all players that wish to participate in the markets. Barriers to entry and expansion are a significant hinderance to competitive markets. Barriers can arise from systematic issues, inequality, regulatory requirements, anticompetitive conduct and lack of access to key resources and markets to support firms seeking to enter markets and compete. These barriers ultimately result in reduced competition in markets, which in turn adversely impacts consumers. For women entrepreneurs, these barriers are further compounded by gender inequality. Women entrepreneurs face gender-based barriers that hinder their ability to enter and effectively compete in high income generating markets. Women entrepreneurs often find themselves operating businesses in low value generating sectors or informal sectors due to these gender-based barriers.

Studies on entrepreneurship shows that women are starting businesses at a faster rate than men, especially in emerging economies.[1] These studies show that women entrepreneurs play a critical role in job creation, income generation and revenue growth in many economies and that their entrepreneurial ventures also contribute to the reduction of the existing wealth inequalities between women and men.[2]

Although more women are taking the entrepreneurial plunge, research shows that there are existing gender-based barriers which restrict the ability of women entrepreneurs to start-up, enter markets and sustain successful businesses, especially in high value generating sectors of the economy.[3] This is specially the case in South Africa, where women entrepreneurs are largely concentrated in areas of crafts, hawking, personal services and retail.[4] The South African context is further complicated by issues relating to the intersectionality between gender and racial inequality, which compounds the barriers that are faced by black[5] women entrepreneurs.[6] These barriers affect the ability of women entrepreneurs to participate effectively and meaningfully in the economy and consequently have significant adverse effects for competitiveness of markets and inclusive economic growth.[7]

1 International Finance Corporation, World Bank Group. *Entrepreneurship*. Available at:Entrepreneurship (ifc.org). Accessed on 20 October 2021.

2 Ibid.

3 Department of Trade and Industry South Africa (2015). *South African Women Entrepreneurs: A Burgeoning Force in Our Economy*. Available at https://static.pmg.org.za/docs/2006/061114entrepeneur.pdf. Accessed on 28 February 2022.

4 Ibid.

5 The term black in this context means Africans, Coloureds and Indians, as defined in section of the Broad-Based Black Economic Empowerments Act No. 53 of 2003.

6 B Mkatshwa, M Tshabalala and S Phalatse (2021). *Prioritising gendered public interest considerations*. Avalable at :https://www.oecd.org/daf/competition/gender-inclusive-competition-proj-6-prioritising-gendered-public-interest-considerations.pdf. Accessed on 30 January 2021.

7 E Santacreu-Vasut and C Pike (2019). *Competition Policy and Gender*. *Concurrences*. N° 4-2019. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3487726. Accessed on 31 January 2022.

Recently, economic development organisations and competition authorities across the world have started paying attention to the gender divide that permeates society, its institutions and markets.[8] The competition law community has been interrogating the role that competition policy can play in addressing these issues and in building open, fair and efficient markets aimed at levelling the playing field for women and men alike. In joining these global efforts, the Competition Commission of South Africa launched the Women in Business project in 2021 to better understand the barriers that inhibit women entrepreneurs from meaningfully participating in the South African economy. The Commission has also sought to understand the strategies that women entrepreneurs are adopting to overcome these barriers in their quest to enter and effectively participate in markets and build successful businesses. The Commission's objective is to identify measures that are required to eliminate the barriers faced by women entrepreneurs and to promote their inclusion in the broader South African economy.

The Commission's project encompassed several initiatives, including a series of workshops with stakeholders and a survey that was rolled out nationally to women entrepreneurs. The first workshop titled "*Barriers to Entry and Participation for Women in Business*" took place on 12 March 2021 and was focused on understanding the key barriers faced by women entrepreneurs. Amongst the issues that were raised, the Commission identified the following themes as key barriers affecting the entry, participation and sustainability of women entrepreneurs; (i) access to business knowledge, education and training programmes; (ii) access to finance for new business start-up or expansion, (iii) access to (profitable) markets; (iv) compliance requirements, bureaucracy and administration; and (v) access to women networks or support structures. In addition to these, the workshop also revealed that social factors such as safety, societal norms, customary practices and domestic responsibilities impact on the ability of women to move freely and dedicate time and energy to perform their entrepreneurial activities, thereby further affecting the ability of women entrepreneurs to enter and effectively participate in markets.[9]

Notwithstanding these barriers, women entrepreneurs have somehow been able to sustain and grow successful businesses. Women entrepreneurs have had to invest in strategies and create alternate paths to navigate around these challenges. To better understand the strategies that women entrepreneurs are adopting to overcome these barriers, the Commission conducted a survey targeted at women entrepreneurs operating formal and informal businesses in different sectors of the economy across all nine provinces in South Africa. The survey was rolled-out for a period of 9 weeks, from 11 October 2021 to 10 December 2021. A total of 309 women entrepreneurs participated in the survey.

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8 For example, the Organisation for Economic Co-operation and Development (OECD) has initiated a Gender Inclusive Competition Law Project. Available at: https://www.oecd.org/competition/gender-inclusive-competition-policy.htm;The Canadian Competition Bureau has supported the OECD project as part the competition authority's broader initiatives on gender equality. Available at: https://www.competitionpolicyinternational.com/the-competition-bureaus-journey-towards-inclusive-competition/.

9 United Nations Conference on Trade and Development (UNCTAD) (2014). *Empowering Women Entrepreneurs Through Information and Communication Technologies*. Available at: Empowering Women Entrepreneurs through Information and Communications Technologies (unctad.org). Accessed on 24 October 2021.

Parallel to the survey, the Commission hosted a second workshop on 10 December 2021 titled "*Understanding Strategies Adopted by Women Entrepreneurs to Overcome Barriers to Entry and Participation in Business*." The workshop encompassed a dialogue with women entrepreneurs who shared their own experiences and testimonies on how they have managed to overcome some of the barriers to entry and participation that they faced in their respective sectors[10].

As part of the broader project, this research paper is an extension of the Commission's work in advancing the meaningful participation of historically disadvantaged individuals (HDIs) in the South African economy using the Competition Act. The objective of this study is to highlight the key insights from the engagements with the women entrepreneurs and from the survey on these gender-based barriers faced by women entrepreneurs in South Africa, which perpetuate the exclusion of women, especially black rural and semi-urban women, from entering and participating in the high value generating sectors of the South African economy. The paper highlights some of the strategies that women entrepreneurs are adopting to overcome these barriers. The paper also encompasses remarks from various stakeholders on the Commission's findings, these stakeholders include Businesswomen Organisation, the Johannesburg Chamber of Commerce and Industry, the Commission for Gender Equality and the Department of Women, Youth and People with Disabilities. The paper also highlights some of the measures that have been adopted and implemented by these stakeholders that are aimed at assisting women entrepreneurs overcome the barriers they face.

With a deepened understanding of the barriers that women entrepreneurs face, the strategies adopted by women entrepreneurs to overcome these barriers and some of the programmes that are in place to support women entrepreneurs, this paper presents some of the key principles that can be adopted to assist women entrepreneurs effectively enter and participate in the economy. The paper seeks to prompt pro-competitive principles for government and non-government stakeholders to support and promote the meaningful participation of women in the broader economy as the cornerstone of inclusive growth and sustainable development. The paper does not comment on or review the work of government and non-government institutions in advancing the interests of women in business and their participation in the broader economy, however it recommends principles that can be adopted to foster a more inclusive and accessible economy for all women in South African.

The paper is structured as follows: **Section 2** provides literature review on the five key barriers faced by women entrepreneurs and some of the strategies adopted by women entrepreneurs to overcome these barriers. This section also draws on the submissions made by the stakeholders on understanding the barriers faced by women entrepreneurs. **Section 3** presents the data collection and survey methodology, **Section 4** provides a detailed analysis of the results of the survey, **Section 5** sets out the key insights from the research study and the actionable principles that can be adopted by government and non-government stakeholders to support and promote the participation of women entrepreneurs in the broader economy, and **Section 6** concludes.

10 The workshop was hosted on 10 December 2021.

SECTION 2

LITERATURE REVIEW ON BARRIERS FACED BY WOMEN ENTREPRENEURS AND THE STRATEGIES ADOPTED TO OVECOME SUCH BARRIERS

From its engagements with women entrepreneurs, as well as with various stakeholders, the Commission identified the following themes as key barriers affecting entry, participation and sustainability of women entrepreneurs: (i) access to business knowledge, education and training programmes; (ii) access to finance for new business start-up or expansion, (iii) access to (profitable) markets; (iv) compliance requirements, bureaucracy and administration; and (v) access to women networks (support structures). This section provides a review of literature on each of the abovementioned key barriers and the strategies adopted by women entrepreneurs to overcome these barriers.

2.1 ACCESS TO BUSINESS KNOWLEDGE, EDUCATION AND TRAINING PROGRAMMES

Research shows that the more skilled and experienced entrepreneurs are, the more successful they are in identifying and seizing business opportunities as well as running successful and sustainable business ventures.[11] Lack of knowledge, education and training are considered to be barriers in starting-up and expanding a business, particularly in the formal sectors of the economy. Research has shown that this is particularly true 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.[12]

Similar concerns have also been identified in the construction sector, where the growth of women entrepreneurs is stifled 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.[13] During the first workshop, the Durban Chamber of Commerce Women in Business Forum, indicated that there is limited knowledge on how women entrepreneurs can enter and grow their business ventures. They further noted that women entrepreneurs face misperceptions in such male dominated sectors about their competency and as a result, tend to be generally excluded from opportunities.

Research shows that more women entrepreneurs are accessing tailored business knowledge and advise through mentorship programmes and entrepreneurship initiatives that are designed to improve the availability and quality of business development support for women entrepreneurs.[14] With the

11 I Z A Institute of Labour Economics. Brixiova, Kangoye, Said (2019). *Discussion paper series on training, human capital and gender gaps in entrepreneurial performance*. Available at: *Training, Human Capital, and Gender Gaps in Entrepreneurial Performance (iza.org). Accessed on 23 October 2021.

12 Ibid

13 EFT working paper on training and support for women's entrepreneurship (2014). Available at: A6FAE24F1DE8FA27C12580DC005F733D_Women_entrepreneurship.pdf (europa.eu). Accessed on 24 October 2021.

14 Ibid

evolution of technology and the move towards digitalisation, research shows that women entrepreneurs are investing in programmes aimed at enhancing their digital literacy skills so that they are better able to access educational resources and information through the internet, learn new skills and acquire knowledge to advance their businesses.[15]

2.2 ACCESS TO FINANCE FOR NEW BUSINESS START-UP OR EXPANSION

Lack of access to capital is recognised as a significant constraint to the establishment and growth of small businesses. Research shows that about 80% of women-led micro, small and medium business are either unserved or underserved by the financial services industry.[16] This is largely due to the fact that most women do not own land or property which commonly serve as collateral to accessing finance through formal financial institutions. Research conducted in 2018 on the ownership of land by black people revealed that only 13% of black women aged between 20 and 49 had sole ownership of land compared to 36% of black men. [17] This lack of ownership of land by women can be attributed to the fact that societal norms and customary laws in South Africa are largely based on the tradition of patriarchy which assumes that men are superior to women and as the head of the family and household, have the power to make all decisions and control all assets and property of the family.[18] The absence of tangible security and a healthy credit history make it difficult for women entrepreneurs to access funding required to start-up or expand their businesses.[19] This skewed ownership of security creates a sizeable credit gap or inequality between women and men.[20]

Research also shows that women entrepreneurs tend to have little to no knowledge about alternative private and public sector finance options and opportunities. A survey conducted by the Department of Trade Industry, the International Finance Corporation and Fin Mark Trust showed that out of one-hundred and seventy (170) women entrepreneurs that participated in the survey, only seven (7) were familiar with the financial services offered to small and medium businesses by Development Finance Institutions in South Africa.[21] The survey further revealed that only 38% of black women were formally

15 Mckinsey Global Institute (2019). *The power of parity: Advancing women's equality in Africa*. Available at: The power of parity: Advancing women's equality in Africa (mckinsey.com). Accessed on 21 September 2021.

16 Elizabeth Daley, Chris Flower, Luca Miggiano, and Sabine Pallas (2013). Women's land rights and gender justice in land governance: pillars in the promotion and protection of women's human rights in rural areas. Available at: InternationalLandCoalition.pdf (ohchr.org) on 02 March 2022. Also refer to a news article by FMO, Entrepreneurial Development Bank. Accessed on 21 September 2021. And FMO Development Bank (2019). Access to finance for female entrepreneurs: Speak louder, push harder. Available at: news - Access to Finance for female entrepreneurs: Speak louder, push harder - FMO. Accessed on 20 October 2021.

17 Mail and Guardian (2020). *Women are entitled to own land*. Available at: https://mg.co.za/opinion/2020-10-18-women-are-entitled-to-own-land. Accessed on 02 March 2022.

18 Women Legal Centre (2010) *Women's property rights under customary law*. Available at: Womens-Property-Rights-Under-Customary-Law.pdf (wlce.co.za). Accessed on 02 March 2022.

19 Phillips, M. Moos, M & Nieman, G. (2014). *The Impact of Government Support Initiatives on the Growth of Female Businesses in Tshwane South Africa. Mediterranean Journal of Social Sciences*. 5(15) 85-92.

20 Ibid.

21 Department of Trade Industry and Competition (DTIC), International Finance Corporation and FinMark Trust. Access to finance for women entrepreneurs in South Africa: challenges and opportunities. Available at: Brochure (ifc.org). Accessed on 02 March 2022.

banked in comparison to 44% black men, 94% white men and 91% white women.[22]

Lack of access to digital technology has also been identified as hinderance to accessing finance, particularly for women entrepreneurs in developing economies. Research shows that women in these economies have less access to smartphones and mobile internet compared to men.[23] As most institutions shift towards digitalisation, lack of access to smartphones and the internet makes it impossible for women entrepreneurs to access information about funding options and to take advantage of applications that are available online.

Complicated and time-consuming application procedures and requirements for business registration documents or valid licenses and permits also tend to be a barrier to accessing finance. Especially for women entrepreneurs largely because women entrepreneurs often operate informal businesses, and do not have bookkeeping systems in place that can be used as proof of income. Women also have other domestic responsibilities that they need to take care off and as such have limited time to attend to some of these administrative requirements.[24]

In an effort to overcome these barriers, women entrepreneurs tend to rely on their personal savings or informal funding such as loans from family or friends, stokvels and social clubs and even loan sharks.[25] During the second workshop, one of the women entrepreneurs who owner and operates a farm highlighted that over and above the loan she had received from her family to the start-up of her business in the agricultural sector, she also had to keep her day to day job as an alternative source of funding to operate and sustain her business.

Research also shows that women entrepreneurs are also increasingly tapping into initiatives and development funding opportunities such as the Women Entrepreneurs Finance Initiative which seek to break down barriers to financial access and provide complementary services such as capacity building and opportunities to improve the business environment for women-owned or women-led SMEs across the developing world.[26] During the second workshop, the women entrepreneurs highlighted that partnerships and kick-off programmes such as the *Hook Up Dinner*, which are offered by corporate enterprises, also provide information on sources of capital that women entrepreneurs can access to start-up small and medium sized enterprises.[27]

22 Department of Trade Industry and Competition (DTIC), International Finance Corporation and FinMark Trust. Access to finance for women entrepreneurs in South Africa: challenges and opportunities. Available at: Brochure (ifc.org). Accessed on 02 March 2022.

23 Ibid

24 Sumanjeet Singh & Bishnu Mhan Dash (2021). Gender Discrimination in Accessing Finance by Women -Owned Businesses: A review. Journal of International Women's Studies. Volume 22, Issue 9, Article 5.

25 Ibid

26 Ibid

27 Accessed from: Home | The Hook-up Dinner – THUD Africa | Business Networking | Purchase Order Financing | Business Pitch | Access to Market on 07 March 2021.

2.3 ACCESS TO (PROFITABLE) MARKETS

Research on South Africa shows that women entrepreneurs largely operate businesses in low income generating sectors such as retail, customer services and small - scale farming.[28] This is largely due to the fact that women entrepreneurs do not have access to productive resources such as land, labour and financial capital that are necessary for business expansion.[29] Women entrepreneurs operating in the agricultural sector highlighted that in addition, lack of access to key agricultural inputs such as such fertilizers, chemicals, planting material, machinery and equipment further made it difficult for them to expand their businesses and take advantage of opportunities in the higher value generating segments of the sector. Research also shows that issues such as distance from the farm to nearby cities as well as requirements for permits or certification or grading of agricultural products, also limit the ability of entrepreneurs from accessing profitable market such as retailers, specialised restaurants or specialised organic markets.[30] This challenge is particularly compounded for women entrepreneurs who often lack knowledge about these processes but also lack the funding required to satisfy these requirements.

Another women entrepreneur who operates as a distiller of crafted spirit highlighted that in the liquor industry, issues related to listing fees, which can range from R300 000 to over R1 million annually, that are charged by restaurants and bars for shelfing liquor products and listing on restaurant menus pose a significant barrier to entry and participation for SMEs in the sector, particularly those that are women owned.

Research also shows that lack of access to relevant information is also a hinderance in accessing profitable market because in certain markets information is not readily available. As such, women entrepreneurs tend not to be aware of the regulations and key technical requirements to enter into certain markets.[31] A women entrepreneur in the agricultural sector highlighted that that their male counter-parts and larger enterprises often have more experience and knowledge on the auctioning of livestock compared to women and small businesses and as such they are at a competitive advantage.

Research also highlights barriers faced by women entrepreneurs in accessing government entities through the existing procurement frameworks. In its study on *"Challenges of Implementing*

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28 Chinomona E & Maziriri, E.T., (2015). *Women in action: Challenges facing Women entrepreneurs in the Gauteng province of South Africa*. Published by the International Business & Economic Research Journal. Volume 14, No 6. Also refer to Mandipaka F., (2014). Overview of Women Entrepreneurs in South Africa. Published by the Mediterranean Journal of Special Sciences. 5(9) 127-130. See also Akhalwaya, A., & Havenga, W. (2012). *The Barriers that hinder the success of Women Entrepreneurs in Gauteng; South Africa*. Published by the International Journal of Sustainable Development; 3(5) 11-22.

29 Mandipaka F (2014). *Overview of Women Entrepreneurs in South Africa*. Published by the Mediterranean Journal of Special Sciences. 5(9) 127-130. See also Akhalwaya, A., & Havenga, W. (2012). *The Barriers that hinder the success of Women Entrepreneurs in Gauteng; South Africa*. Published by the International Journal of Sustainable Development; 3(5) 11-22

30 Ibid

31 Small Enterprise development agency (SEDA). *Women – and Youth owned SMME's: the status, needs. Challenges and opportunities for South Africa.* Available at: *http://www.seda.org.za/Publications/Publications/SEDA%20Integrated%20report%20-%20DSBD%2024%20Feb%2020.pdf* . *Accessed* on 03 March 2022.

Government's Women Economic Empowerment Programmes In South Africa", the Commission for Gender Equality particularly noted that there is lack of policy clarity and coherence in the application of the principle of women's economic empowerment in government policy, and across the government's broader strategic policy objectives on women's economic empowerment. The Commission for Gender Equality further noted that government's economic empowerment programmes aimed at supporting women were characterised by varying degrees of poor administrative management, poor record keeping, poor information dissemination and a lack of effective coordination from a central or departmental perspective. More importantly, the Commission for Gender Equality found that these women's economic empowerment initiatives were usually not accompanied by ongoing, sustained and coherent support services for the beneficiaries, especially the business entrepreneurs, in the early and vulnerable stages of their businesses.

In a recent study titled *A Promise Without Commitment: Overview of State Compliance with President's 40% Procurement Allocation*, the Commission for Gender Equality unpacked the effectiveness of the government's policy which places an obligation on state entities to allocate 40% of their procurement budget on women owned businesses. This study revealed concerning themes which indicate that the government remains an inaccessible market for women entrepreneurs.

Most relevant to the Commission's research study is the governments' procurement in the agricultural sector. In this regard, the study by the Commission of Gender Equality found that for the 2017/2018 financial year, the Department spent R613 754 363.68 procuring goods and services, and only R11 426 922.89 was spent on black-women-owned businesses. This means only 1.86% of the Departments' budget percentage was dedicated to the procurement of goods and services from black women owned businesses.

In 2018/2019, the department's budget for procuring from women-owned businesses dropped significantly compared to the previous financial year. However, it only increased to 5.89% in the 2020/2021 financial year. Similar trends were also noted in relation to the procurement practices of the Department of Mineral Resources and Energy (DMRE). While the DMRE has various programmes to support the promotion of gender equality and women's empowerment in the sector, this is not reflected strongly in the department's expenditure on procurement allocations toward black-women-owned businesses. The study by the Commission for Gender Equality showed that the department's procurement budget allocated to women owned businesses was still far below the President's 40% procurement allocation target.

To generally overcome barriers related to accessing profitable markets, women entrepreneurs in the agricultural sector are increasingly participating in cooperatives[32] in order to enhance their ability to access more profitable markets. Through these cooperatives, women entrepreneurs benefit from shared knowledge and information as well as resources such as land, water, seeds and tools.[33] Women entrepreneurs are also shifting away from traditional ways of doing business and are taking advantage of digital platforms such as WhatsApp, Facebook and Instagram to expand their reach and access more markets.

2.4 COMPLIANCE REQUIREMENTS, BUREAUCRACY AND ADMINISTRATION

Women entrepreneurs have identified numerous forms of administrative barriers that hinder their ability to enter and effectively participate in markets, including burdensome documentation requirements, inadequate information on rules and regulations, inconsistent procedures mandated by different government departments, lengthy registration processes, complicated processes requiring multi-agency approval and lack of support from government, among others.[34] Research shows that business registration procedures can be a huge burden for women entrepreneurs, as the processes can be time consuming, especially considering the domestic responsibilities that women entrepreneurs must juggle.[35] Furthermore, women entrepreneurs in rural and remote areas also face distance and mobility challenges in reaching business registration offices.[36]

Business operational requirements such as compliance permits, and licenses also pose as a barrier for starting up and operating a sustainable business.[37] One entrepreneur highlighted that processes for obtaining and renewing liquor licenses are quite costly and time consuming and significantly limit the ability of women entrepreneurs to access the liquor industry. The entrepreneur also identified issues such as inefficient government online portal systems as a factor that further compounds the challenge for women entrepreneurs.[38] Other women entrepreneurs echoed this point and indicated that government systems and lengthy approvals required from municipal councils for commencement of certain construction projects for example, have huge financial implications for women entrepreneurs.

32 Cooperatives are people-centred enterprises owned, controlled and run by and for their members to realise their common economic, social, and cultural needs and aspirations. Cooperatives bring people together in a democratic and equal way. Whether the members are the customers, employees, users or residents, cooperatives are democratically managed by the *'one member, one vote'* rule. Members share equal voting rights regardless of the amount of capital they put into the enterprise.

33 International Labour Organisation (2010). *Gender and rural employment policy brief: Rural women's entrepreneurship is "good business".* Available at: wcms_150832.pdf (ilo.org). Accessed on 14 February 2022.

34 Ibid

35 International Labour Organisation (2016). *Women's entrepreneurship development assessment*. Available at: wcms_551168.pdf (ilo.org). Accessed on 14 February 2022.

36 Ibid

37 Ibid

38 Competition Commission workshop on strategies adopted by women entrepreneurs to overcome barriers to entry in business dated 10 December 2021.

2.5 ACCESS TO WOMEN NETWORKS

One of the key predictors in entrepreneurial success is the strength of an entrepreneur's social networks.[39] During the second workshop, the entrepreneurs indicated that networks are critical in nurturing entrepreneurship and creating an enabling environment for women entrepreneurs. Networking can result in a range of opportunities accessed from a diverse and extensive pool of collective resources. Networks also provide women entrepreneurs with a platform to learn, share knowledge and expertise and receive and or provide support and advise to other women entrepreneurs. Furthermore, networks also provide a structure, and processes through which entrepreneurs can build credibility and trust for themselves and their new business venture.[40]

Sectoral networking or professional structures are considered essential in operating a successful business for women entrepreneurs. However, research shows that it is harder for women to participate in such networks, particularly in male dominated sectors. In sectors such as engineering, construction, interior design, which are largely dominated by males, networking has traditionally been done on golf courses, shooting ranges or in men only private members clubs to the exclusion of women.[41] Lack of adequate networking opportunities for women entrepreneurs in male dominated sectors limits their ability to accessing business knowledge and information, markets and customers and adversely impacts their ability to effectively participate in such markets.

To overcome these challenges, more women focused networking events and clubs have emerged in recent years.[42] Women entrepreneurs are establishing structures such as breakfast forums where women can meet and engage with other women entrepreneurs and learn from one another. Younger women entrepreneurs are also approaching experienced women entrepreneurs for sponsorship, mentorship and business advice, support and guidance on how to operate successful and sustainable businesses.[43] Over the years, there has also been an increase in number of targeted networking structures to cater for the development of women entrepreneurs that operate in male dominated sectors, such as South African Women in Construction, established to empower women to gain access to business opportunities, training, finance and networks in the construction industry.[44]

39 K.L. Polori (2021). *Exploring networking between women entrepreneurs in the business environment in South Africa.* Available at: Exploring networking between women entrepreneurs in the business environment in South Africa (nwu.ac.za). Accessed on 22 February 2022.

40 Ibid

41 R. Burner – Calendar published by The Telegraph (2019). *The Telegraph, News article titled the five barriers to women in business. Accessed from: Women in business: five barriers they face. Available at: (telegraph.co.uk). Accessed on 03 March 2022.*

42 Ibid

43 Ibid

44 Ibid

2.6 OTHER BARRIERS

While this research paper focused primarily on the above five (5) concerning barriers faced by women entrepreneurs in South Africa, stakeholders also made submissions of other barriers worth noting. In particular, the Department of Women, Youth and People with Disabilities noted that there are other barriers arising from the lack of effective implementation of measures adopted by government in empowering women, youth and people with disabilities. The Department of Women, Youth and People with Disabilities identified the following notable challenges that reinforce the barriers faced by women entrepreneurs in South Africa:

a) lack of inclusive approaches that are aligned to government priorities;
b) lack of enabling operating environments with clear targets set for the effective mainstreaming of women, in both government and private sector institutions;
c) lack of promotion of equitable targets on access to ownership and control of all economic activities across sectors;
d) lack of clear and explicit strategies by implementing departments to lobby private sector, non-government organisations and international organisations to incorporate the inclusion of women in their policies, programmes, projects and products;
e) lack of dedicated resources to support campaigns and programmes that promote the inclusion and mainstreaming of women;
f) failure to strengthen the capacity of women in leadership, management, control and entrepreneurship across all sectors;
g) lack of an intergraded approach by the three spheres of government in supporting the SMMEs (working in silos); and
h) lack of infrastructure and technology constrains in particular for the SMMEs in the rural areas.

The above challenges noted in the Department of Women, Youth and People with Disabilities' submissions certainly reinforce the barriers identified by the Commission, particularly in relation to access to profitable markets.

SECTION 3

DATA COLLECTION AND METHODOLOGY

The Commission undertook a questionnaire-based survey to collect information from women entrepreneurs on barriers to entry and participation in business and strategies adopted by women entrepreneurs to overcome these barriers. The survey consisted of thirty-nine (39) questions which took approximately seven (7) minutes to complete. The survey targeted women entrepreneurs of all ages, race groups, operating businesses (formal and informal) in all sectors of the South African economy. The survey was rolled-out for a period of nine (9) weeks, from 11 October 2021 to 10 December 2021.

As there is no national database for women entrepreneurs, the Commission approached various women associations, women business forums, chambers of commerce and industry, and other relevant institutions to distribute the survey to their members.[45] The survey link was shared with participants via email and via SMS. A total of 309 women entrepreneurs responded to the survey.

The questions were related to the key themes of barriers identified above. In summary, the survey explored the following issues:

(i) *Access to business knowledge, education and training programmes as a barrier to women in business*: the survey explored the participation of women entrepreneurs in development programmes, the accessibility and affordability of these programmes, and the effectiveness of these development programmes in helping them to sustain and grow their business.

(ii) *Access to finance for new business start-up or expansion as a barrier to women entrepreneurs*: under this theme, the survey looked at how women entrepreneurs access finance for their business, time taken to access finance, sufficiency of the funding, and knowledge about alternative funding sources.

(iii) *Access to profitable markets*, the survey explored the target customers for the women entrepreneurs, how they market their business, business channels utilised to access the market and provide goods and services, market access challenges, and the strategies women entrepreneurs have adopted to overcome these challenges.

(iv) *Compliance requirements, bureau-cracy and administration*: the survey

45 National Empowerment Fund (NEF) Gordon Institute of Business Science (GIBS), South African Chamber of Commerce and Industry (SACCI), Businesswomen's Association of South Africa (BWASA) Gauteng, Black Women Organisation South Africa, BWASA, Christian Women Business Network, Young Women in Business Network, Female Entrepreneur South Africa, South African Women Entrepreneur Network, African Women Innovation and Entrepreneurs, South African Women in Science and Engineering, Women in Oil and Energy South Africa, South African Women in Construction & Built Environment, Women in Mining, Durban Chamber of Commerce, Cape Chamber of Commerce and Industry, Women Solutions, Zululand Chamber of Commerce and Industry, Minara Chamber of Commerce, Johannesburg Chamber of Commerce and Industry, KZN Youth chamber of Commerce and Industry, and other provincial/regional chambers and forums.

explored questions on issues related to business registration, the channels utilised to register a business and reasons for non-registration of businesses.

(v) *Access to women networks (support structure):* under this theme, the survey asked questions on the participation of women entrepreneurs in network groups, the necessity of collaborations for a successful business, the reasons for not participating in women networks, and the fundamental factors assisting women in business.[46]

46 Competition Commission workshop on strategies adopted by women entrepreneurs to overcome barriers to entry and participation in business held 10 December 2021.

SECTION 4

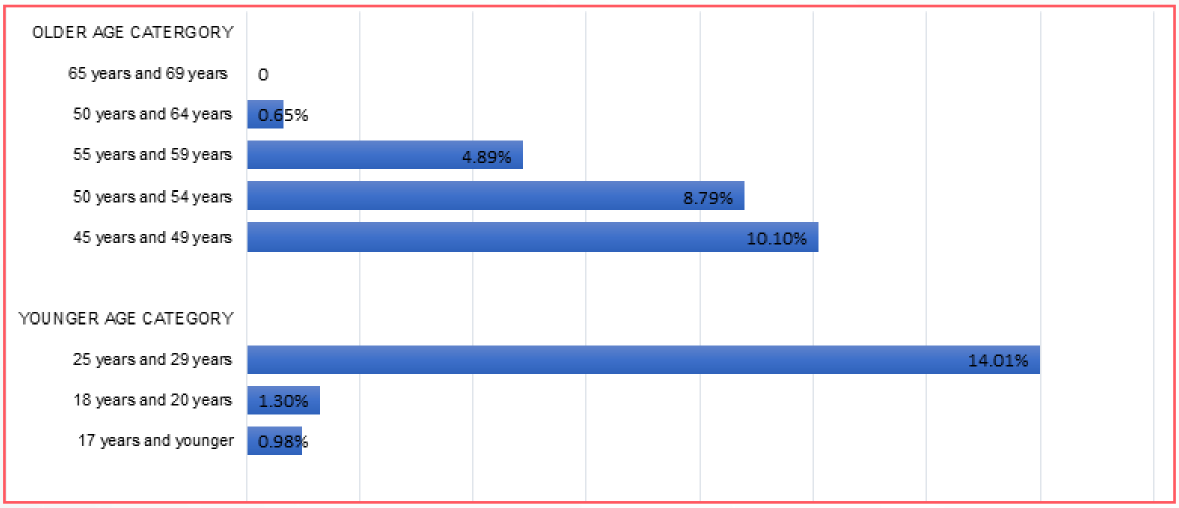
ANALYSIS OF SURVEY RESULTS

This section presents an analysis of the results of the survey. The data is presented in two sub-sections. The first sub-section provides an analysis on the demographic characteristics of the women entrepreneurs in South Africa based on the survey participants. These demographic characteristics include factors such as age category, race distribution, education level, industry distribution, and the geographic area of operation. The second sub-section provides an analysis on the challenges that women entrepreneurs experience under each of the five key barriers and the strategies that women entrepreneurs are adopting to overcome these barriers.

4.1 DEMOGRAPHIC CHARACTERISTICS OF THE WOMEN ENTREPRENEURS IN SOUTH AFRICA

The survey results show that a vast majority (55,70%) of the women entrepreneurs in South Africa who participated in the survey are between the ages of 30 years and 44 years.[47] Notably, the data from the survey shows that there are very few women entrepreneurs in the age category of 24 years and below and above the age of 55 years.[48] Figure 1 present the age category split into younger and older groupings.

Figure 1: Distribution of the Women Entrepreneurs by Age Category



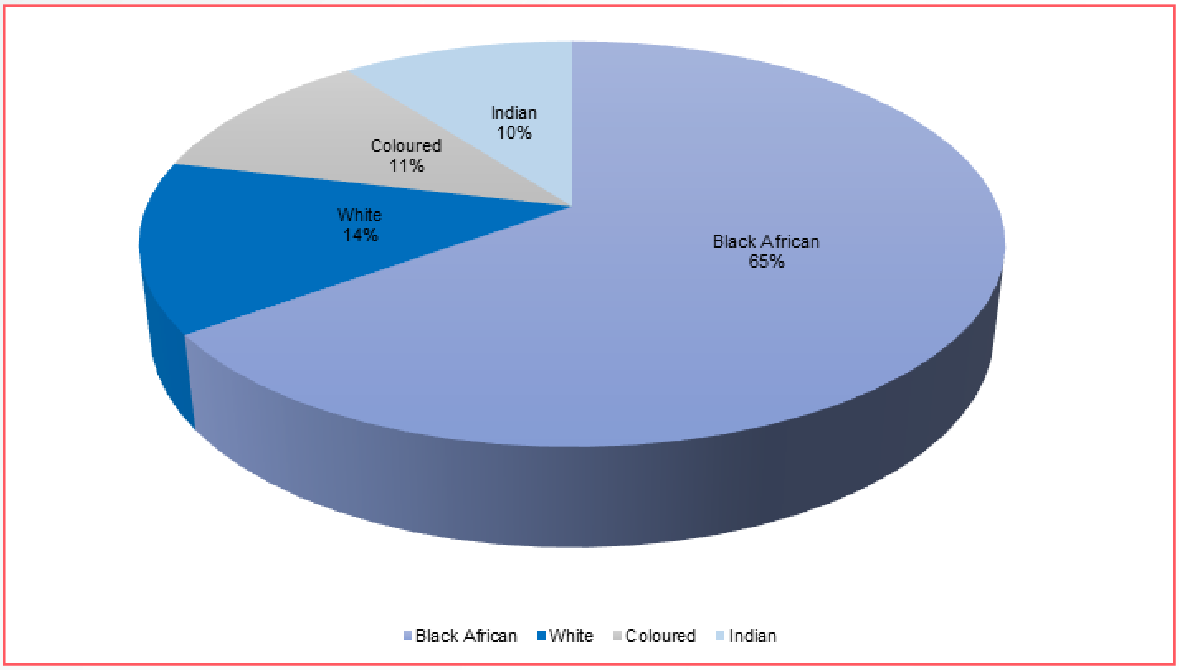
Source: Competition Commission Survey

In terms of racial profile, the survey results show that the majority of the women entrepreneurs that participated in the survey are Black Africans followed by Whites, Indians and Coloured people. Figure 2 shows the percentage breakdown of the distribution of the women entrepreneurs by race category.

47 Survey on understanding strategies adopted by women entrepreneur to overcome barriers to entry and participation in business. Competition Commission survey report dated December 2021.

48 Ibid

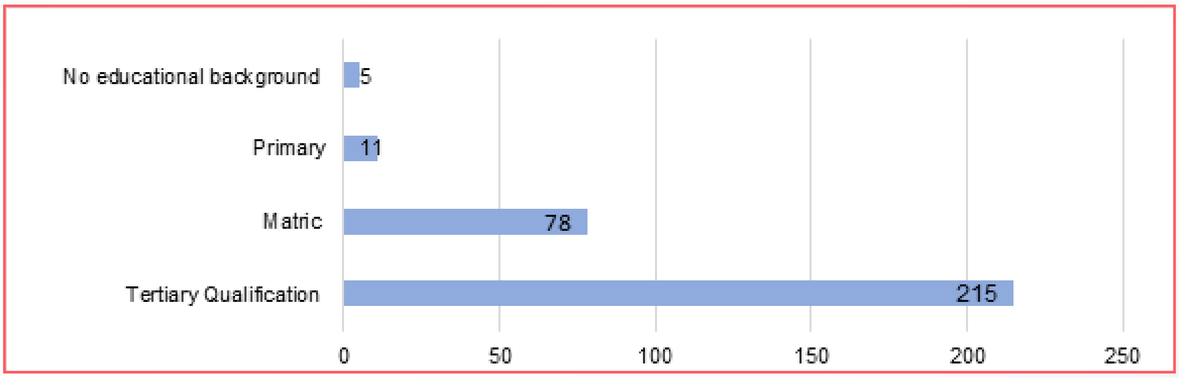
Figure 2: Distribution of the Women Entrepreneurs by Race Category



Source: Competition Commission Survey

In respect of the education level, the women entrepreneurs were asked to indicate their highest level of educational qualifications. As can be seen in figure 3 below, 69,58% of the women entrepreneurs indicated that they hold a tertiary level qualification, 25,24% have a matric certificate, 3,56% have primary education only, while just over 1,62% indicated that they have no educational background.

Figure 3: Educational Qualifications of the Women Entrepreneurs



Source: Competition Commission Survey

The survey also sought to establish the industries in which women entrepreneurs typically operate. The results show that over 62% of the women entrepreneurs that participated in the survey are largely concentrated in sectors of the economy which offer services and products related to logistics, wholesale, retail, information, communication, marketing, accommodation, catering, and entertainment. Notably, very few of the women operate in the higher value generating sectors of the economy such as agriculture, construction, manufacturing, mining, real estate and energy.

Table 1 below reflects the sector and value chains in which women entrepreneurs in South Africa typically operate based on the survey data.

Table 2: Sectors and Value Chains in Which Women Entrepreneurs Operate

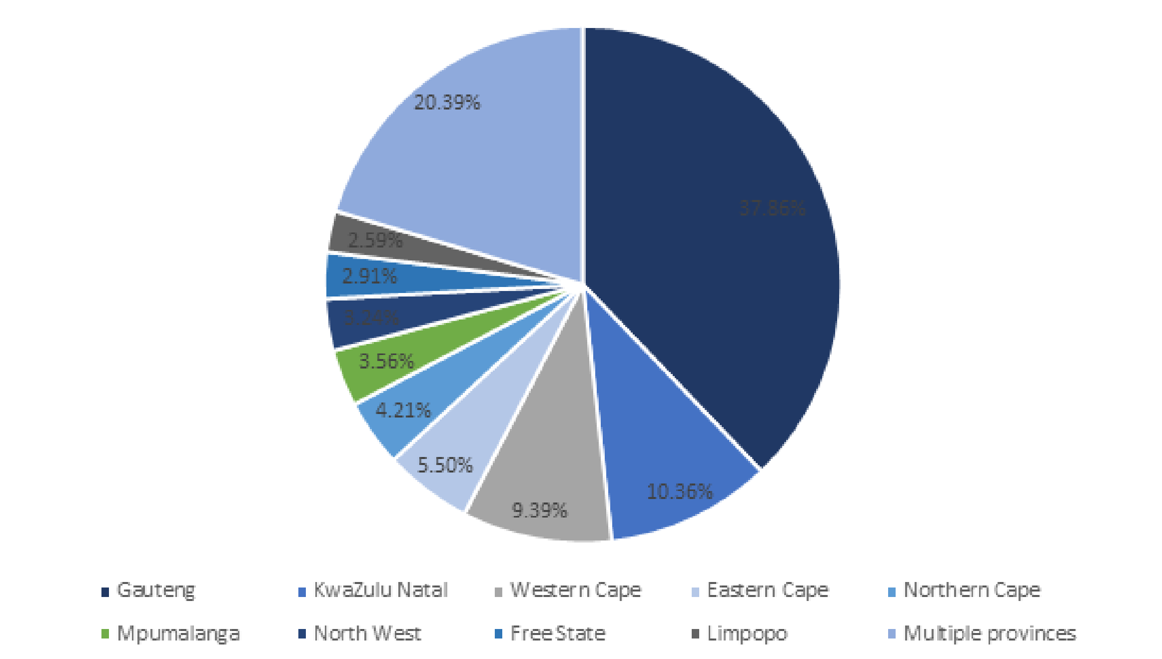
Sector	Type of services or products offered	% of responses from the survey
Logistics, wholesale and retail	Sales services, retail and wholesale product supply, transportation and storage services	23%
Information, communication, and technology	Technology services, professional business services, public relations services and marketing services	21%
Accommodation, catering and entertainment	General food supply, bed and breakfast; catering and events management	18%
Human health and social work activities	Beauty, cosmetics and social services	9%
Education	Professional teaching and training services	5%
Administrative	Administrative services	4%
Agriculture, forestry & fishing	Agricultural and fishery product supply,	4%
Manufacturing and mining	Product manufacture and mining equipment supply	4%
Construction	Building and maintenance services	3%
Real estate	Property and accommodation services	3%
Energy	Electricity, gas, steam and air conditioning supply	2%
Finance	Financial and insurance services	2%
Water and waste management	Water supply and waste management services	2%

Source: Competition Commission Survey

In terms of the geographic areas where women entrepreneurs typically operate, the survey results shows that 37,86% of the women entrepreneurs operate businesses solely in Gauteng. This is expected as Gauteng is the country's economic hub.

The data also shows that 41,75% are spread throughout the other provinces and about 20,39% operate businesses in more than one province. Figure 4 shows a breakdown of the provinces where women entrepreneurs operate their businesses.

Figure 4: **Breakdown of Business Operations of Women Entrepreneurs by Province**



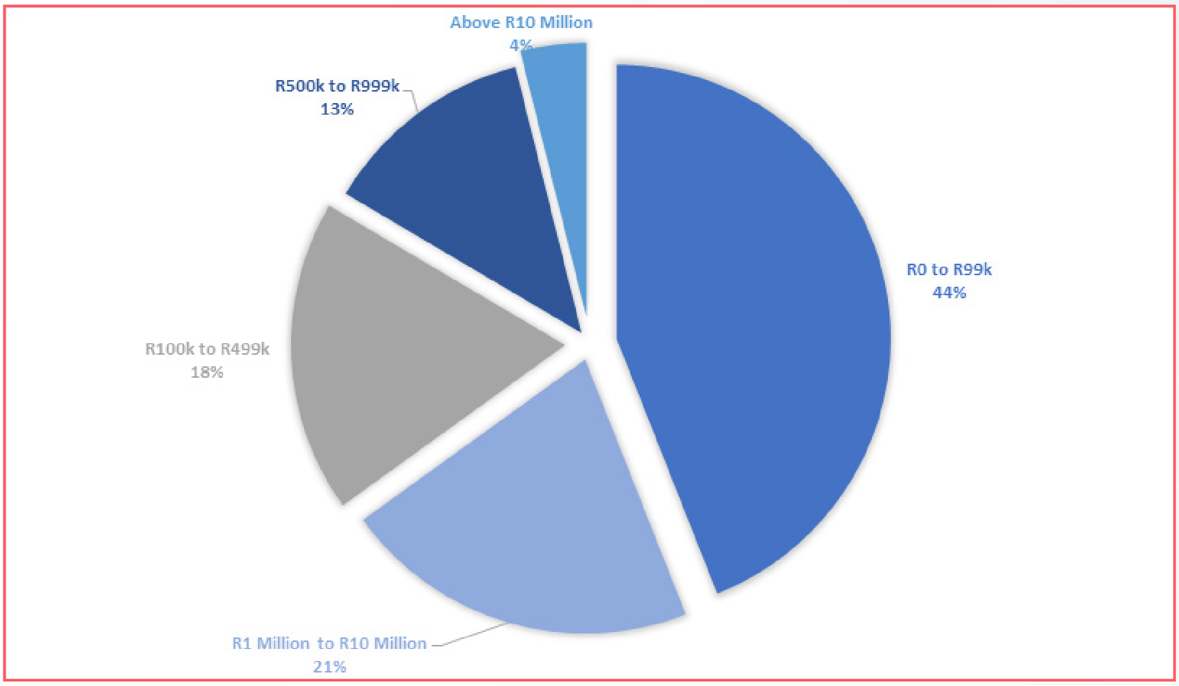
Source: Competition Commission Survey

The survey also sought to explore how long women entrepreneurs have been operating their businesses. The survey results show that 42,07% of the women entrepreneurs have been in business for less than 5 years, while 36,25% of the women entrepreneurs have been in business for 5 years to 9 years. 19,09% of the women entrepreneurs indicated that they have been in business for 10 years to 19 years, and only 2,59% indicated that they have been in business for more than 30 years.

The women entrepreneurs were also required to indicate how they commenced their business operations. The survey data shows that 60,8% of women businesses are self-started; 23,62% started their businesses with a partner, family or friend; 5,18% inherited their businesses; 0,32% acquired the business and roughly 10,04% selected a combination of these options.

The survey also sought to determine the size of the businesses by assessing the revenue earned by the women entrepreneurs through their business operations. Figure 5 shows the annual turnover of women owned businesses.

Figure 5: Annual Turnover of the Women Owned Businesses



Source: The Competition Commission Survey

4.2 RESULTS ON THE BARRIERS TO ENTRY AND PARTICIPATION FACED BY WOMEN ENTREPRENEURS IN SOUTH AFRICA

4.2.1 Access to Business Knowledge, Education and Training Programme

Under this theme, the survey sought to explore how women entrepreneurs access business knowledge, their participation in entrepreneurship development programmes, the accessibility and affordability of these programmes and the effectiveness of these programmes in helping them to sustain and grow their businesses.

The survey results show that women entrepreneurs access business knowledge through various ways. 27,18% of the women entrepreneurs indicated that they gained business knowledge through self-educating, 16,18% of the women entrepreneurs indicated that they learned from other entrepreneurs, 11,65% indicated that they gained business knowledge from their previous work experience and 9,06% indicated that they have acquired formal education such as business qualifications or certification through short courses. 35,93% of women entrepreneurs indicated that they had to empower themselves through a combination of formal education, previous work experience and learning from other entrepreneurs.

In terms of participating in entrepreneurship development programme(s), 67,96% of the women entrepreneurs indicated that they have never participated in any entrepreneurship development programme, while 32,04% indicated that they have participated in some entrepreneurship development programmes.

From the 67.96% of the women entrepreneurs who had not participated in entrepreneurship development programmes, 25,71% indicated that their lack of participation in these programmes was due to the fact that they had no knowledge of such programmes while 20,95% indicated that these programmes are not available in their communities. 11,90% expressed that these programmes are expensive and unaffordable while 13,81% expressed that some of these programmes are not suitable for their business needs and as such had no interest in these programmes. 3,81% of women entrepreneurs indicated that these programmes are time consuming.

From the 32,04% of the women entrepreneurs that have previously participated in entrepreneurship development programmes, 58,59% indicated that they found the programmes to be easily accessible and affordable, while only 16,16% of the women entrepreneurs disagreed. 25,25% were neutral on whether entrepreneurship development programmes are easily accessible and affordable.

It was also important to understand whether women entrepreneurs found educational and entrepreneurship development programmes to be effective in enabling them to grow and sustain their businesses. 88% of women entrepreneurs indicated that they found these educational and entrepreneurship development programmes to be effective while only 4% found such programmes to be ineffective. 8% of the women entrepreneurs were neutral on the effectiveness of these programmes in enabling them to grow and sustain their businesses.

4.2.2 Access to Finance for New Business Start-up or Expansion

Under this theme, the survey looked at how women entrepreneurs access finance for their business, time taken to access finance, sufficiency of the funding and knowledge about alternative funding sources.

In the survey, women entrepreneurs were asked to indicate the reasons for which they sought funding. 39,16% of the women entrepreneurs indicated that they sought funding to start up their businesses, 22,65% indicated that it was to expand their existing businesses and 13,59% indicated that they needed funding for their day-to-day operational business needs. 24,60% indicated that they sought funding for a combination of these business needs.

In relation to the sources of funding that women entrepreneurs tap into, 32,78% indicated that they used their personal savings to fund their business operations while 10,36% indicated that they used informal loans obtained from family and friends. 8.9% of women entrepreneurs indicated that they obtained funding through formal bank loans and only 7,12% used development funding.[49] The majority (43,69%) of the women entrepreneurs indicated they have used a combination of these sources for funding.

49 The development funding came from institutions such as the Industrial Development Corporation (IDC), the Development Bank of Southern Africa (DBSA), the National Housing Finance Corporation (NHFC), the National Empowerment Fund (NEF), the National Youth Development Agency (NYDA).

Time taken to access finance significantly affects the ability of women entrepreneurs to successfully start-up and sustain their businesses. The survey results show that most women were able to easily access informal loans and their personal savings within 6 months compared to accessing formal loans from banks. The results also show that government grants take up 2 to 3 years to access.

The survey also considered the accessibility of the formal sources of funding for women entrepreneurs. Of the women entrepreneurs that participated in the survey, 40.04% indicated that they have previously applied for formal sources of funding. Of the 40.04%, 20,39% of the women entrepreneurs indicated that their applications were declined while only 19,74% were approved. Most (39%) of the women entrepreneurs whose applications for formal funding were declined, indicated that they resorted to accessing their personal savings to fund their businesses while 30% indicated that they resorted to approaching family and friends for a loan. 23% of the women entrepreneurs indicated that they used a combination of these options.

The survey further explored the factors that contributed to the successful approval of their funding applications. The women entrepreneurs who applied for bank loans identified good credit status and surety and collateral as key factors that contributed to the success of their applications. While those who applied for development funding and government grants indicated that gender, age, BEE status and being a previously disadvantaged individual were key factors that contributed to a successful application.

With respect to knowledge about alternative sources of funding, 30,35% of the women entrepreneurs indicated that they had little to no knowledge about other funding options that were available to them, 25,89% indicated that they had moderate knowledge about the different sources of funding available for women entrepreneurs while 43,69% indicated that they were quite knowledgeable on the different funding options and the providers.

4.2.3 Access to (Profitable) Markets

Under this theme, the survey explored the target customers for the women entrepreneurs, how women entrepreneurs market their business and the business channels utilised to access markets and provide goods and services. The survey also sought to understand the challenges that women entrepreneurs face in accessing markets and the strategies they have adopted to overcome these challenges.

To understand the dynamics related to the ability of women entrepreneurs to access profitable markets for women entrepreneurs, the survey sought to explore the markets which women entrepreneurs target. The survey results shows that women entrepreneurs in South Africa largely do business directly with consumers and less with government.

Table 2: Target Market

Target Market	Proportion/ share
Business to Consumer (B2C)	48,54%
Business to Business (B2B)	11,33%
Businesses to Government (B2G)	3,56%
Combination of Markets	36,57%

Source: Competition Commission Survey

With respect to accessing customers, the results show that most women entrepreneurs access their customers mostly through direct marketing and referrals. Platforms such as public procurement and private sector tenders are the least accessible platforms through which women entrepreneurs reach their customers. The results show that while women entrepreneurs are predominantly using social media platforms such as WhatsApp, Facebook and Instagram to provide their goods and services, a large number of women entrepreneurs still operate through brick-and-mortar stores as well as through informal stalls.

With respect to the challenges that women entrepreneurs face in accessing the most profitable markets, most participants identified limited access to knowledge and information, limited access to funding which can assist in scaling up their businesses, complex public procurement processes and limited access to business networks as some of the key barriers that limit their ability to access profitable markets. The women entrepreneurs also indicated that Covid-19 restrictions also posed additional challenges for many businesses, particularly for women entrepreneurs who were already facing significant challenges.

In response to these challenges, the survey indicates that women entrepreneurs have adopted numerous strategies including, transforming their business models by introducing more products and services to their offerings and in some instances scaling down their offerings to focus on niche markets. The results also show that women entrepreneurs are also investing in technology solutions such as fibre, laptops, mobile devices and taking advantage of shared technology platforms such as free Wi-Fi and internet cafes in order to increase their access to customers through digital platforms.

4.2.4 Compliance Requirements, Bureaucracy, and Administration

Under this theme, the survey explored issues related to business registration, the channel utilised to register a business and reasons for non-registration of businesses.

While there are benefits of formally registering a business, such as being able to participate in tender processes and applying for formal funding opportunities, the survey results shows that 19,4% of the women entrepreneurs operate unregistered businesses. Most of these entrepreneurs indicated lack of information about business registration processes and fears around business taxes as reasons for not registering their businesses. The results also show that the complexities around the business registration processes and time required to complete these processes are also reasons why some women entrepreneurs have not registered their businesses.

While the survey that shows that women entrepreneurs are using the online platforms to register their businesses, many of these women are still relying on third parties to assist them with their business registration processes, which adds unnecessary costs to operating their businesses.

4.2.5 Access to Women Networks

Under this theme, the survey explored the participation of women entrepreneurs in women network structures and their views on collaborations. The survey also explored the factors that are fundamental in assisting women entrepreneurs successfully enter and participate in markets.

The survey results show that, despite the opportunities associated with belonging to networking structures, only 61,17% of the women entrepreneurs belonged to or participated in women networking structures. This group of women entrepreneurs indicated that they found their participation in such structures valuable because such platforms expose them to customers, markets and to other female entrepreneurs and mentors. The women entrepreneurs also noted that such platforms were a good source of sharing insights and other resources and facilitating collaborations amongst women entrepreneurs.

The women entrepreneurs who indicated that they had not participated in any women networking structures listed several reasons for their lack of participation, including that these structures do not exist in their areas; membership to these structures is expensive and having busy schedules and domestic responsibilities. Some indicated that they see no benefit in participating in these structures as the offerings of these structures to not meet their business needs.

With regards to factors that are fundamental in assisting women entrepreneurs successfully enter and participate in markets, 30% of the women entrepreneurs identified access to business knowledge, education and training programme as fundamental to operating a successful business, 27% identified access to profitable markets, 23% identified access to women networks, 17% identified access to finance and only 4% identified (less stringent) compliance requirements, bureaucracy & administration.

SECTION 5

CONCLUSION

5.1 KEY INSIGHTS FROM THE RESEARCH

There are key insights that can be drawn from the results of the survey and from the engagements with women entrepreneurs, as well as stakeholders who made submissions to the Commission on this study.

The first is that women entrepreneurs face significant barriers which affect their ability to enter high income generating markets and to effectively participate in those markets. This study shows that compared to their male counterparts, women entrepreneurs have limited access to key business knowledge, information and skills that are required to successfully operate in high-income generating markets. Women entrepreneurs that operate in male dominated sectors find that men in their sectors are not always willing to share information and knowledge and to empower women. The Business Women Organisation also noted that even though women are increasingly investing in utilising training programmes, some women are of the view that certain training programmes are designed for women only. This may create the impression that men can easily navigate the entrepreneurial world without training, while women must have training. The Business Women Organisation also made the point that some of women targeted trainings, are simply there to tick a box, as they do not guarantee that women will be afforded better opportunities. These challenges highlight the need for policy reforms and initiatives that are aimed at promoting equal access to education and skills development for women entrepreneurs.

The lack of ownership of land and property by women makes it difficult for women entrepreneurs to access finance that is required to start-up or expand their businesses from formal financial institutions. While government grants and development funding are available as alternative sources of funding, this study shows that women entrepreneurs don't necessarily make use of these sources mainly because they are not aware of their existence, but also because accessing finance through these sources entails a lengthy and burdensome process. The sources of funding that women entrepreneurs are forced to resort to are unsustainable and often not sufficient to meet their business needs. These issues highlight the need for increased education and awareness to women entrepreneurs, particularly those living in rural and semi-urban areas on sources of funding and how these can be accessed. The research also brings to light the importance of developing funding methods and financing services that are specifically designed to accommodate the financial needs of women entrepreneurs.

The study shows that lack of information and knowledge, limited access to resources and complex and costly requirements significantly affect the ability of women entrepreneurs to access profitable markets. Access to funding and initiatives that are aimed at supporting collaborative structures of women entrepreneurs are crucial to enable women entrepreneurs to expand their businesses and diversify their operation and offerings in order to effectively participate in high income generating sectors.

The study also highlighted the importance of education and awareness around the needs of industry and the requirements for participating in other segments of the value chain are also critical in empowering women entrepreneurs. Public procurement plays a huge role in the development and growth of SMEs. Some of stakeholders highlighted that the government as a consumer of goods and services is a key and profitable customer for many SMEs and women owned businesses. However, concerning themes were also noted on how inaccessible government is for women entrepreneurs. In particular, the Businesswomen Organisation noted that there are artificial barriers which make government an inaccessible market for women. These include abuse of government procurement processes by supply chain management who collude with suppliers to win tenders.

The stakeholders also noted that government has adopted various procurement policies that seek to increase the procurements of goods and services by state entities from women owned businesses. However, these policies and their corresponding initiatives are undermined by their lack of clarity, and poor administrative management. Accordingly, it is vital to develop procurement policies that are aimed at encouraging preferential treatment towards women owned businesses.

With respect to compliance requirements, bureaucracy and administrative processes, the study revealed that issues of costly and complex compliance requirements significantly affect the ability of women entrepreneurs to enter and effectively participate in certain markets. In order to help women entrepreneurs to overcome these challenges, it is imperative to ensure that information about these requirements and processes are easily accessible and to remove any unnecessary red tape that inhibits entry and participation of women entrepreneurs. The research also shows that women entrepreneurs face time constraints due to additional domestic responsibilities which they face. Accordingly, it is important to ensure that process related to obtaining trading permits and licences are as effective as possible. Issues of mobility of women entrepreneurs, particularly those living in rural and semi-urban areas was also identified as a significant limitation to complying with registration and other administrative requirements. The installation of remote offices in such areas will also be helpful in supporting women entrepreneurs in these areas.

The study shows that the emergence of women networking structures plays a critical role in empowering women entrepreneurs and exposing them to relevant information, resources, customers and more experienced women entrepreneurs who can provide guidance and mentorship. The accessibility and the costs of joining such structures pose significant barriers for many women entrepreneurs. These issues highlight the need for the development of initiatives that are aimed at supporting such structures and making them more accessible and affordable for all women entrepreneurs, particularly those that are living rural and semi-urban areas.

In addition to the above, this study shows that women entrepreneurs face social barriers such as safety, societal norms, customary practices and domestic responsibilities impact on their ability of women to move freely and dedicate time and energy to perform their entrepreneurial activities. While there is little that can be done to alleviate these social pressures, it is important that in developing strategies and initiatives aimed at supporting women entrepreneurs, stakeholders are aware of these additional challenges that women face in their entrepreneurial journeys.

5.2 PROMOTING EFFECTIVE ENTRY & PARTICIPATION OF WOMEN ENTREPRENEURS: PRO-COMPETITIVE PRINCIPLES FOR GOVERNMENT & NON - GOVERNMENT STAKEHOLDERS

Government and non-government stake-holders have a key role in ensuring the effective entry and participation of women entrepreneurs in the South African economy. To achieve this objective, we identify some of the pro-competitive principles that can be adopted by government and non-government stakeholders to promote the effective entry and participation of women entrepreneurs in the broader South African economy.

5.2.1 Business Knowledge, Education and Training Programme, including Women Networks

Networking structures for women entrepreneurs, particularly those operating in male dominated sectors are crucial in enhancing access to business knowledge and information, markets and customers for women entrepreneurs. Network structures or forums championed by industry players and other non-government stakeholders can play a critical role in enabling women entrepreneurs to access the relevant business knowledge and information and be able to equally participate in the market. It is also important that such structures and forums are accessible to affordable as such it is crucial to consider how best to make these opportunities available to as many women as possible, particularly those in rural and semi-urban areas.

To shed light on examples of initiatives that align with the above principles, the Department of Women, Youth and People with Disabilities has adopted various initiatives that seek to afford women entrepreneurs opportunities to networking structures. Over the past two years, the Department of Women, Youth and People with Disabilities has been participating in the Africa Energy Indaba where the department provided exhibition spaces for women owned enterprises to show case their enterprises and network with the Captains and CEOs of companies across the African continent. Through these initiatives, one woman in the energy sector received a huge opportunity from Exxaro Resources Limited. In November 2022, the Department of Women, Youth and People with Disabilities also hosted a Women's Trade Fair to open up trade space for women, including networking opportunities. This initiative will be rolled out to provinces this year through working with the Women's Economic Assembly (WECONA) launched by the office of the Presidency in 2021.

The Johannesburg Chamber of Commerce and Industry has also implemented similar initiatives that are aimed at helping women overcome the lack of access to business knowledge, education and training programmes, Between 2021 and 2022 for example, the Johannesburg Chamber of Commerce and Industry created three programmes which two target HDI's and SME including a special category of women entrepreneurs namely, (i) South African Customs Union and Mozambique ("SACU+M) export growth programme and the (ii) Johannesburg Chamber of Commerce and Industry global export programme. Further, the Johannesburg Chamber of Commerce and Industry has a third programme called the *Special SME development project for Women in Business* that specifically targets women in business. These programmes seek to share with women entrepreneurs insight on penetrating the global export market and access to mentorship with a lens focusing on specific industries such as the agricultural sector, small manufacturing sector, beauty and wellness sector to name a few.

5.2.2 Compliance Requirements, Bureaucracy, and Administration

Women entrepreneurs are still relying on third parties to assist them with their business registration processes, which adds unnecessary costs to operating their businesses. This is because more often than not they lack knowledge and understanding of registration and compliance requirements. Education and training on registration processes and business compliance requirements is critical for ensuring that women entrepreneurs are fully apprised with these processes so that they can avoid incurring unnecessary costs.

Women entrepreneurs in rural and remote areas face distances and mobility challenges in reaching business registration offices. Business registration and compliance structures should be closer or have satellite offices closer to rural and remote areas to enhance access by SMEs and HDP owned firms that are owned by women entrepreneurs.

Business operational requirements such as compliance permits, and licenses also pose as a barrier for starting up and operating a sustainable business in various industries including liquor, construction, agriculture etc. Business operational requirements such as compliance permits, and licenses can be made less complex, and this can help ease the pressure from women entrepreneurs in establishing sustainable businesses. Licensing authorities should implement measures that are aimed at assisting entrepreneurs with compliance. Licensing authorities should also consider lowering license fees as these pose a huge financial barrier for SMEs and further compromises their ability to comply with trading or operating requirements.

5.2.3 Access to Funding for New Business Start-up or Expansion

Access to funding is crucial for any entrepreneur. The funding requirements of financial institutions have been identified as a significant barrier for women entrepreneurs. It is therefore important that financial institutions consider easing lending requirements and terms for women entrepreneurs or offering products that are specifically designed for women given their unique profile in comparison to their male counterparts. Delays in accessing funding is also detrimental to the success and sustainability of SMEs. It is therefore important to ensure that the lead time between submission of a funding application and the processing of the funds is as reasonable as possible. Due to our societal construct, women generally do not own land and often lack access to collateral (e.g., property or land) that is required by financial institutions as security for credit. Land funding programmes initiated by government (e.g., Land Bank) that are aimed at giving women access to land on preferential terms for allocation of land and providing necessary skills for certain projects where applicable could also be helpful in supporting women entrepreneurs.

Access to knowledge and information on business value chains and resources required to enter other segments of the markets is imperative for women entrepreneurs who are seeking to enter higher income generating markets. Sector specific educational and funding initiatives will help support women and ensure that they can operate successfully in the sectors. Government funding programmes can also be crafted in manner that make considerations to those sectors or market segments in which women are less likely to participate due to financial barriers and provide the necessary support to enable women entrepreneurs to enter and participate in such sectors or segments. Other initiatives such as skills transfer and training programmes, partnership and subcontracting initiatives that are aimed at empowering women entrepreneurs could help spur the participation of women in the economy.

5.2.4 Access to (Profitable) Markets

The success of women entrepreneurs requires efforts from both government and non-government stakeholders. Therefore, the empowerment of women entrepreneurs should include initiatives from the private sector such as procuring from women-owned businesses. Where women-owned businesses lack certain skills and technology, quality control methods and funding, the private sector should consider collaborating with these businesses to empower them. This will ensure that women-owned businesses meet the required standards, especially where these businesses supply goods and services to the private sector.

As procurers of goods and services, government and non-government stakeholders can contribute towards the success of women entrepreneurs through preferential procurement measures that are aimed at allocating a certain proportion of their spend on goods and services offered by women entrepreneurs. Government policy plays a key role in facilitating the meaningful participation of women entrepreneurs in profitable markets. The Department of Women, Youth and People with Disabilities highlighted some of the government initiatives and policies that seek to enable women to overcome the barriers and challenges noted above. One such policy id the government’s Gender Responsive Planning, Budgeting, Monitoring, Evaluation and Auditing Framework (GRPBMEA) that serve as a tool to promote gender mainstreaming across government and the private sector. The GRPBMEA sets out an approach to ensure that the country and government-wide systems explicitly and consistently respond to women's empowerment and gender equality priorities. The institutionalisation of GRPBMEA is directly linked to gender mainstreaming across the state. Through its mandate, the Department of Women, Youth and People with Disabilities coordinates the implementation of the GRPBMEA, however, other government departments have been central to driving the government wide institutionalisation of the framework, in particular the Department of Planning, Monitoring and Evaluation and the National Treasury. The Department of Women, Youth and People with Disabilities periodically hosts meetings with national and provincial departments to capacitate departments and track progress on the implementation of the framework. In order to ensure the effectiveness of such policies, the Commission for Gender Equality emphasised the need for strengthened internal controls within government's procurement practices to curb corruption and anti-competitive public procurement processes. The Commission for Gender Equality further stressed the need for rationalisation of government policies to ensure alignment of all initiatives aimed at economically empowering women.

The Johannesburg Chamber of Commerce and Industry also highlighted some on its initiatives that are aimed at making markets, especially export markets, accessible to women. The Johannesburg Chamber of Commerce and Industry indicated that in 2015, it established the Global Business Accelerator (GBA) programme. Through the GBA program, beneficiaries are equipped with an understanding of international trade market and the requirements to enter the global market. According to the Johannesburg Chamber of Commerce and Industry, the GBA provides SMEs with training in aspects such as sustainable exporting, mentoring and access to markets. The GBA programme generally targets SMEs and HDIs in South Africa.

This study highlights the important need for both government and non-government stakeholders to review their practices and ensure that their policies enable women entrepreneurs to access markets and to meaningfully participate the economy. As procurers of goods and services from women-owned businesses or as providers of goods and services to women-owned businesses, it is crucial that government and non-government stakeholders adopt gender inclusive measures and guidelines for engaging with women entrepreneurs. These measures could include (i) reviewing contractual arrangements with women-owned businesses to remove unfair trading terms that hinder the ability of women owned-businesses to enter, meaningfully participate and expand in markets; (ii) consider offering contractual terms and payment terms that protect the viability of women-owned businesses; and (iii) implement a gender sensitive criteria when considering funding applications from women-owned businesses; and when assessing the supplier applications from women-owned businesses.

SECTION 6

CONCLUSION

This research study forms part of the Commission's strategic efforts to understand the barriers to entry and participation faced by women entrepreneurs in South Africa. As well as to identify pro-competitive principles necessary to eliminate these barriers and to promote the inclusion of women entrepreneurs in the broader South African economy. The research study sought to explore the specific challenges faced by women entrepreneurs under each of the five key themes of barriers identified by the Commission as affecting the effective entry and participation of women entrepreneurs in South Africa. The study also seeks to understand some of the strategies that women entrepreneurs are adopting to overcome these barriers. In contributing towards the conversations on how to support and promote the participation of women entrepreneurs in the economy. Further, this study highlights some of the key principles that can be adopted by government and non-government stakeholders to support and promote the meaningful participation of women in the broader economy as the cornerstone of inclusive growth and sustainable development.

It is clear from the findings of this study that women entrepreneurs face significant barriers which affect their ability to enter high income generating markets and to effectively participate in those markets. The issue of lack of information or knowledge came up as a theme across all five barriers identified by the Commission. The results showed that women entrepreneurs often lack business knowledge and are less informed about the markets in which they operate. This lack of knowledge affects their ability identify opportunities in higher income generating sectors.

The research found that women entrepreneurs are not able to access funding from formal lending institutions due to the fact that they generally do not own land or property or assets that are required as surety by these institutions. The study showed that women entrepreneurs have to resort to informal sources to obtain funds such as loans from family and friends, social clubs, loan sharks etc. The study revealed that while there are alternative sources of funding available in the market, women entrepreneurs have limited to no knowledge about these options.

The research found that lack of information and knowledge, limited access to resources and complex and costly compliance requirements significantly affect the ability of women entrepreneurs to enter and participate in profitable markets. The study also found that issues of mobility also affect the ability of women entrepreneurs in rural and semi-urban areas from accessing profitable markets.

The research revealed that the emergence of women networking structures plays a critical role in empowering women entrepreneurs and exposing them to relevant information, resources, customers and more experienced women entrepreneurs who can provide guidance and mentorship. The study also found that issues of affordability and accessibility of such structures remains a barrier for women entrepreneurs in rural and semi-urban areas.

These findings show that much still needs to be done to support and promote the participation of women entrepreneurs in the economy. There is a need for concerted efforts to be made by government and non-government stakeholders to enhance an effective implementation of the existing frameworks and initiatives aimed at empowering women entrepreneurs. Therefore, both government and non-government stakeholders should collaborate more on initiatives that are intentional and well targeted in ensuring that all women entrepreneurs in South Africa are afforded equal opportunities to succeed in their entrepreneurial ventures

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