

# Report reveals female entrepreneurs are making progress in SA

While women entrepreneurs are making strides to overcome gender-related biases and advance their businesses in South Africa, they still face several structural and social obstacles, many of which have been exacerbated by the Covid-19 pandemic. This is according to the South African results of the latest Mastercard Index of Women Entrepreneurs Index (MIWE).



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South Africa move up nine places (a 7.1% increase) from 2019 to rank 23rd globally and 1st in Africa on the 2020 Index, which tracks female entrepreneurs' ability to capitalise on opportunities granted through various supporting conditions within their local environments.

Now in its fourth year, the MIWE highlights the vast socio-economic contributions of women entrepreneurs across the world, provides insight on the factors driving and inhibiting their advancement, and makes a compelling case for building on targeted gender-specific policy best practices internationally. Through a unique methodology – drawing on publicly available data from leading international organisations such as the OECD and International Labour Organisation – MIWE 2020 includes a global ranking of the advancement of women in business in pre-pandemic conditions across 58 economies, and how they differ in terms of the level of 'Women's Advancement Outcomes', 'Knowledge Assets & Financial Access' and 'Supporting Entrepreneurial Conditions'.

**It's all in the numbers**

Despite a healthy MIWE score, women account for only 19.4% of business owners in South Africa - a slight 0.2% increase over 2019 - maintaining its 45th global ranking. This indicates that their progress in entrepreneurship has been low compared to other countries measured. Uganda (39.6%) ranks first in the world with the highest number of women business owners, followed by Botswana (38.5%), and Ghana (36.5%).

South Africa moved up four places from 19th in 2019 to rank 15th in the 'Women's Advancement Outcome' component, which measures women's progress and degree of marginalisation as business leaders, professionals, entrepreneurs and labour force participants. This was boosted by an improvement in the overall rate of women's entrepreneurial activity, with 10.2% of working-age women engaged in early-stage entrepreneurial activities (up from 9.6% in 2019), compared to 11.4% for men.

This component's high ranking is underpinned by the relatively large 53% share of professional and technical worker positions held by women in the workplace (ranked 15th among the 58 economies).



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South Africa also moved up two places from 2019 to rank 23rd in the 'Knowledge Assets and Financial Access' component, which gauges women's progress and degree of marginalisation as financial customers and academically in terms of tertiary education enrolment. Not only are women as well-educated as their male counterparts in tertiary education, they also have almost the same access (at 85.6 index points where 100 represents gender parity) to financial services relative to men.

South Africa also saw a substantial increase in the Support for Small and Medium Enterprises indicator, including availability of finance, training, and development programmes for women, moving up 16 places globally to rank 32.

South Africa saw its largest improvement in the 'Supporting Entrepreneurial Conditions' component of the Index, which benchmarks how supportive entrepreneurial conditions are as enablers or constraints of women business ownership.

In 2020, South Africa moved up 13 places to rank 32nd on the index. While South Africa performs moderately for ease of doing business and for quality of governance, it's 2020 score was boosted by a positive change in cultural perceptions of women entrepreneurs (up 35 places from 2019 to rank 22nd globally).

"Today, women entrepreneurs play an increasingly vital role – socially, professionally and economically – in driving the South Africa economy. While the country has made some excellent gains, there is an opportunity for the public and private sectors to work together to accelerate efforts to dismantle the structural obstacles and biases that impede female entrepreneurship, so that women can play an enlarged role in South Africa's economic recovery," says Suzanne Morel, country manager at Mastercard, South Africa.

### **Covid-19 has posed setbacks, but also opportunity**

MIWE also provides analysis on the ramifications of Covid-19 on women business owners, and women at work and draws out effective support policies. Although differing from economy to economy, those proving most effective include expansive relief measures for SMEs – from wage subsidies to furlough schemes and fiscal bailouts – as well as state childcare support.

A staggering 87% of women business owners globally say they have been adversely affected by the pandemic. In South Africa, 59% of women-owned businesses work in sectors hardest hit by the economic downturn like retail, restaurants, food shops and domestic services.

Despite the obvious challenges, the report highlights a number of opportunities for women in the Covid-19 era, particularly in online shopping and digital commerce. A recent Mastercard study revealed the exponential growth of e-commerce in South Africa – with 68% saying they have been shopping more online since the pandemic began.

As the pandemic presents new business opportunities for women, especially in terms of online shopping and services, ensuring access to technology or digital solutions, affordable data and modern trade resources will empower more women to succeed in business.

“What the MIWE findings make clear is that regardless of an economy’s wealth, level of development, size, and geographic location, gender inequalities continue to persist. If anything, 2020 illuminated how vast women’s potential in South Africa really is. A crisis will always reveal vulnerabilities in the system, and the pandemic has done that in spades. But unlike any other economic downturn, the pandemic has also paved the way for considerable progress, and we have seen what can be achieved when priority is given.

Collectively, government, financial services and business organisations need to ensure they are offering the right support programme, solutions and innovation to enable female entrepreneurs the opportunity to thrive in today’s new normal,” added Morel.

The Mastercard Index of Women Entrepreneurs 2020 report and supporting assets are available to [download](#).

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