



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

EXECUTIVE SUMMARY

Draft Strategic Framework on Gender and Women's Economic Empowerment

2007

the dti

ABBREVIATIONS & ACRONYMS

ASGI-SA	Accelerated and Shared Growth Initiative for South Africa	NCBWO	National Committee for Business Women's Organizations
BEE	Black Economic Empowerment	NEF	National Empowerment Fund
CEDAW	Convention for the Elimination of All Forms of Discrimination against Women	NGO	Non-Governmental Organizations
CEO	Chief Executive Officer	NQF	National Qualification Framework
CIPRO	Companies and Intellectual Property Registration Office	OSW	Office of the Status of Women
DTI	Department of Trade and Industry	PGD	Provincial Government Department
EPI	Economic Performance Indicators	RDP	Reconstruction and Development Programme
ESC	<i>definition</i>	RFI	Retail Financial Intermediaries
GCIS	Government Communication and Information System	RPL	Recognition of Prior Learning
GDP	Gross Domestic Product	SA	South Africa
GEM	Gender Entrepreneurship Markets	SADC	Southern African Development Community
GMS	Gender Management System	SAQI	South African Quality Institute
GWE	Gender and Women's Empowerment Unit	SAWEN	South African Women Entrepreneurs' Network
GWEAC	Gender and Women's Economic Empowerment Advisory Committee	SAWIC	South African Women in Construction
ICT	Information and Communication Technology	SAWID	South African Women in Dialogue
IDC	Industrial Development Corporation	SAWIMA	South African Women in Mining Association
IFC	International Finance Corporation	SEDA	Small Enterprise Development Agency
IPI	Institutional Performance Indicators	SMME	Small, Medium, and Micro Enterprises
IT	Information Technology	SPII	Support Programme for Industrial Innovation
KZN	Kwa Zulu Natal	TWIB	Technology for Women in Business
LBSC	Local Business Services Centre	WEP	Women Enterprise Programme
LED	Local Economic Development		
LIBSA	Limpopo Business Support Agency		

FOREWORD

SA Government, Fast Tracking Womens Economic Empowerment through the dti 2007 and beyond.

The performance of the South African economy over the past year has strengthened our capacity and resolve for action. We attained a GDP growth rate of almost 5%. Interest rates dropped to their lowest levels in 25 years and the inflation rate hit a 35-year low. Business and consumer confidence surged to new heights. What's more, financial stability and positive sentiment have fed into the real economy, where from March to September of 2005, employment grew by close to 400 000 jobs. While we take heart from the great strides that have been made, we are all too aware that this is not the hour for celebration.

Considerable challenges remain, not least those of unemployment and underdevelopment. Amongst these, the imperative is to harness the existing momentum in the economy from all SA, including men and women. Through our gender and women's empowerment initiatives, **the dti** will continue to accelerate the empowerment of women. How we intend to do this is well documented in this document through several interventions proposed. These ranges from growing and supporting women entrepreneurship, providing them easy and affordable access to finance and technology with the ultimate aim of assisting them to produce quality products.

South African women entrepreneurs are indeed the backbone of the second economy more so a critical factor in creating a vibrant manufacturing and services sectors that could create sustainable employment opportunities required to grow our economy. **The Strategic Framework on Gender and Women's Economic Empowerment**, which is our sister strategy of the BEE strategy, is therefore central to all our programmes aimed at promoting broader participation, equity and redress lie at the heart of the government's interventions in the Second Economy. Through it, we hope to broaden the base of empowering our people. As **the dti** we have an important role to play in this regard, through its ongoing work to bridge the economic divide and broaden economic participation by historically disadvantaged people, who the majority continues to be black and women. I therefore invite all organs of the state, the private sector, trade unions and all South Africans to work with us as we fast track the empowerment of women which will ultimately benefit South Africa as a nation.

Mr. Mandisi Mpahlwa: MP

Minister of Trade and Industry



INTRODUCTORY REMARKS

This **Strategic Framework on Gender and Women's Economic Empowerment** provides guidance, focus, and specific recommendations for the support required to ensure women's full participation in our economy. As such, it is an important milestone in the economic emancipation of women in South Africa.

Ten years after our first democratic elections, women now have more freedom and substantial institutional support to actively engage in economic activity and in business. The relative success of our economy since 1994 has also opened up extensive business opportunities for women. Yet it is clear that this progress is insufficient, as the majority of women are still located in the lower echelons of our economy. It is necessary for **the dti** to ensure that institutional support for women in business is formalized and to continually search for new and innovative ways in which women in business can be supported. We also need to ensure that our economy continues to grow and is able to accommodate new entrants.

The support given to women should seek to fully empower them so that they are able to benefit from our democratic reforms, be it politically, socially or economically. These three areas of empowerment are deeply interwoven, and empowerment in one area will not be fully achieved without empowerment in the others. It is therefore necessary that **the dti Strategic Framework on Gender and Women's Economic Empowerment** takes a holistic view of how to empower women and to give support to initiatives that will, among other things, create strong institutions to represent women entrepreneurs and become advocates of addressing the unique challenges faced by women in business.

The work that has been done over the past few years, complemented by growing global markets, is expected to generate substantial economic growth in South Africa in the near future. South Africa ranks among the top African nations and the 28th globally in the World Bank Group's Doing Business in 2006 report. During this period, women must be at the forefront of driving economic growth and must take advantage of the new opportunities that will emerge.

the dti has made a commitment to support women in their drive towards greater economic empowerment and to ensure that women in business are actively supported through incentives, information sharing, trade missions, improved access to finance, business support and, where appropriate, other opportunities.

We are also committed to ensuring that women's views on policy and legislative issues are heard in line with South Africa's international commitment through the Beijing Platform for Action. The details of our commitment to supporting women in business are covered in this document.

We look forward to actively engaging with all stakeholders in this sector to update and refine this strategy.

Ms. Elizabeth Thabethe

Deputy Minister of Trade and Industry

TABLE OF CONTENTS

ABBREVIATIONS & ACRONYMS	i
FOREWORD	ii
INTRODUCTORY REMARKS	iii
TABLE OF CONTENTS	2
THE CASE FOR A STRATEGIC FRAMEWORK ON GENDER.....	3
SUMMARY OF REGIONAL CONSULTATIVE WORKSHOPS	4
INTRODUCTION	5
CHAPTER 1: THE VISION, MISSION AND OBJECTIVES OF THE FRAMEWORK.....	6
1.1 VISION	6
1.2 MISSION	6
1.3 OBJECTIVES	6
1.4 GUIDING PRINCIPLES.....	7
1.5 APPROACHES	8
CHAPTER 2: TARGETED POPULATIONS.....	9
2.1 SPECIFIC SUBGROUPS AND DEFINITIONS	9
2.2 STRATEGIC PARTNERS.....	9
CHAPTER 3: FOCUSED PROGRAM INITIATIVES.....	10
3.1 WOMEN AND THE FINANCIAL MARKET.....	10
3.2 MOBILISING AND STRENGTHENING SA WOMEN IN BUSINESS	11
3.3 ENTREPRENEURIAL EDUCATION, TRAINING AND SKILLS DEVELOPMENT	11
3.4 TRADE AND DEVELOPMENT	14
3.5 ENGENDERING BLACK ECONOMIC EMPOWERMENT.....	15
3.6 WOMEN IN BUSINESS LEADERSHIP	15
3.7 RESEARCH AND DEVELOPMENT.....	16
CHAPTER 4: PROCESS FOR IMPLEMENTING THE STRATEGY	17
CHAPTER 5: MONITORING AND EVALUATION	18
MANAGEMENT AND OVERSIGHT	19
GLOSSARY	20



THE CASE FOR A STRATEGIC FRAMEWORK ON GENDER

The **Strategic Framework on Gender and Women's Economic Empowerment** is guided by an overall vision, mission and objectives – and has been informed by a number of guiding principles from broader-based government initiatives and by international standards with respect to women's empowerment. This Framework has been developed and is being proposed because existing government strategies and initiatives related to economic empowerment often do not specifically include a gender focus. When gender is mentioned or included, it is often in a tangential way, and is not fully integrated. This Framework will ensure that gender concerns are addressed throughout government, and in other initiatives, such as the SMME and BEE strategies.

For example, in the strategic framework of the Black Economic Empowerment strategy, gender is mentioned, but in a very broad way:

“Broad-based black economic empowerment (broad-based BEE) means the economic empowerment of all black people including women, workers, youth, People with disabilities and people living in rural areas, through diverse but Integrated socio-economic strategies...”

In fact, as stated in the BEE Strategy document, a lesson learned from earlier economic equity efforts was that, without a dedicated strategy for BEE, the needs of the population remained inadequately addressed:

“Government's approach was to situate black economic empowerment within the context of a broader national empowerment strategy that focused on historically disadvantaged people, and particularly black people, women, youth, the disabled, and rural communities. Whilst gains were made within the public sector, the overall approach to black economic empowerment lacked focus and an overarching strategic framework.”

In addition, while the SMME strategy mentions women as a targeted group, it is listed as one of several groups, with no programmes specifically targeted toward women:

“... the strategy places particular emphasis on addressing the needs of micro-enterprises, small enterprises in high-growth sectors, and small enterprises owned and managed by historically disadvantaged individuals, namely black people, women, the youth and the disabled.”

Therefore, for women's economic empowerment to receive the full attention it deserves – and to more fully strengthen the South African economy – a dedicated strategy on women's economic empowerment is needed.

Ms. Mmabatho Matiwane

HEAD: Gender and Women's Empowerment Unit

SUMMARY OF REGIONAL CONSULTATIVE WORKSHOPS

In the process of refining this **Strategic Framework on Gender and Women's Economic Empowerment**, eleven regional consultative workshops were held across South Africa:

- On 6 October 2005 in Kimberley, drawing participants from the Northern Cape and Free State Provinces.
- On 12 October 2005 in Cape Town, drawing participants from the Western Cape Province.
- On 3 November 2005 in Mmabatho, drawing participants from the North West Province
- On 7 November 2005 in Port Elizabeth, drawing participants from Eastern Cape Province
- On 30 November 2005 in Nelspruit, drawing participants from Mpumalanga and part of the Limpopo Provinces
- On 23 January 2006 in Durban, drawing participants from KwaZulu Natal Province
- On 30 January 2006 in Polokwane, drawing participants from Limpopo Province
- On 20 February 2006 in Orlando West, drawing participants from Soweto
- On 24 February In Sebokeng, drawing participants from Vaal Triangle area

- On the 17 March 2006 in Benoni drawing participants from Ekurhuleni Metropolitan Municipality
- On 02 May 2006 in Mabopane, drawing participants from Tshwane Metropolitan Municipality

Over 2 750 women and men participated in these workshops, which were designed to highlight existing national and regional activities in the area of women's enterprise development, and provide women business owners and other stakeholders with the opportunity to discuss current barriers to business growth and development, and thus provide input and comment on what policy and programme recommendations should be included in the final Strategic Framework document.

The format of each regional consultation workshop was similar: a morning plenary session with speakers from **the dti**, provincial government, and women's business groups. Following a lunch, participants split into three concurrent discussion sessions, focused on strengthening women's access to markets, mainstreaming informal and rural women's enterprises, and increasing the capacity of women business owners to start and grow their enterprises through information sharing, training and technical assistance, and access to finance. A final plenary session shared main discussion points from the three break-out sessions for all participants.



INTRODUCTION

The Department of Trade and Industry of South Africa (**the dti**) is committed to addressing the issues of gender equity and economic growth as part of its business mandate. We feel that gender equity is an economic issue that is critical in fast-tracking South Africa's economic growth. Since 1998, **the dti** has been running a gender programme targeting women, with a both internal and external focus. International and national instruments aimed at advancing gender equity in South Africa have informed this programme. The South African (SA) National Gender Policy of 2000¹ has been the most influential framework adopted to date, outlining specific government interventions needed to ensure the successful process of mainstreaming gender equity.

Through a series of eleven regional consultative workshops (see Annex for details on these events), and meetings with other important stakeholders within and outside of government, **the dti** has developed this **Strategic Framework on Gender and Women's Economic Empowerment**. This document does not provide detailed policy recommendations; rather, it sets out a general action plan to guide future development of both policies and programmes.

Gender issues are not yet well integrated into other economic development strategies, such as Black Economic Empowerment (BEE) and Small, Medium and Micro Enterprise (SMME) strategies.² As a part of the implementation of this framework, we recommend that all national government departments set up their own sector-focused gender policy and strategy framework guidelines. This document is meant to provide a guideline for such efforts.

This document is also meant to guide private sector activities and public-private partnerships.

This strategic framework document covers four distinct areas of focus:

- The **target populations** of women who need special attention and focus with respect to economic empowerment;
- The **types of policy and programmatic interventions** most needed to spur economic empowerment and enterprise development;
- The **monitoring and evaluation** that is needed to inform ongoing improvement of the framework elements; and
- The institutional **management and oversight** arrangements that are needed to ensure the successful implementation of the framework.

Our goal, through the publication and dissemination of this framework, is to further the dialogue on ways to increase the economic participation and wealth-creation for women in South Africa. We invite comments, suggestions, and reactions to this document – and to the policy and programme recommendations contained herein.

¹ See Annex 4 for the complete reference, and the web address of the report.

² Complete references available in Annex 4.

THE VISION, MISSION AND OBJECTIVES OF THE FRAMEWORK

The **Strategic Framework on Gender and Women's Economic Empowerment** is guided by the following vision, mission and objectives. It is also informed by a number of guiding principles from broader-based government initiatives, and by international standards with respect to women's empowerment including: the Constitution of the Republic of South Africa, South Africa's National Policy Framework for Women's Empowerment and Gender Equality, Southern African Development Community (SADC) Declaration on Gender and Development, the Convention for the Elimination of All Forms of Discrimination Against Women (CEDAW), and the Beijing Platform for Action.

1.1 VISION

A society in which there is social and economic justice for all, where women and men are able to achieve their full human potential, and in which women have equal access to, and control over, economic resources.

1.2 MISSION

To ensure that gender equity is systematically taken into account in all dti values, policies, programmes, its working environment, work practices, monitoring and evaluation systems and to establish the requisite structures, process and timeframes for achieving this.

1.3 OBJECTIVES

1. To challenge the direct and indirect barriers in Enterprise, Industry and Trade which prevent women from having equal access to and control over economic resources.
2. To facilitate women's equal access to economic and productive resources by strengthening their capacity and networks as well as their ability to benefit from **dti** policies and programmes.
3. To increase women's easy access to finance by assessing existing programmes that provide access to finance for women and suggesting improvements to address existing gaps in a sustainable manner.
4. To work towards gender parity in all enterprise, industry and trade and structures including boards, councils and missions.
5. To ensure that the life experience and views of South African women contribute equally to the reform of trade, investment and enterprise development.
6. To conduct research, and put in place indicators and monitoring systems to measure the gendered impact of **dti** policies and programmes.
7. To ensure that **the dti** budget benefits women and men equitably and that specific resources are allocated for helping to overcome the particular disadvantages faced by women.



1.4 GUIDING PRINCIPLES

This strategy is fully embedded within the broader principle of Broad Based Empowerment as part of supporting the process of economic growth and social justice for all the people of South Africa, and is informed by the following guiding principles:

1. **Equality:** All persons are equal. The equality clause in the Bill of Rights states that: “the state may not unfairly discriminate directly or indirectly against anyone on one or more grounds, including race, gender, sex, pregnancy, marital status, ethnic or social origin, color, sexual orientation, age, disability, religion, conscience, belief, culture, language and birth.”
2. **Heterogeneity:** Women are not a homogenous group. As stated in the National Policy Framework for Women’s Empowerment and Gender Equality: “Discrepancies of race, class, sexuality, disability, age and other variables should not be taken for granted. However, similarities should also be used to strengthen initiatives designed to reverse past gender discrimination.”
3. **Affirmative Action:** Affirmative action for groups who have been historically disadvantaged in any way, or in a number of ways, is specifically provided for by the Constitution that states that: “legislative and other measures” may be taken to “protect and advance” persons who have been disadvantaged. The SADC Declaration on Gender and Development commits member states to ensuring the equal representation of women and men in decision-making, and the achievement of at least a thirty percent target of women in political and decision-making structures by the year 2005.
4. **Economic Empowerment:** Economic empowerment of women is central to the achievement of gender equality, as stipulated in CEDAW.
5. **Participation and Representation:** There are several potential barriers to women’s effective participation and representation in institutions. South African economic structures are still male dominated with relevant decisions heavily influenced by men. Women’s fair to equal representation and participation is central in ensuring that decisions of these structures and initiatives will lead to economic gains for all South Africans irrespective of their gender and race.
6. **Co-responsibility and Partnership:** Co-responsibility and partnership between women and all those investing in their partnership are the cornerstones for ensuring their empowerment.

1.5 APPROACHES

Women Targeted. This strategy is designed to specifically target women and to empower them to take control of their lives, to set their own agenda, to gain skills and knowledge, to increase self-confidence, and solve problems. This strategy will be adopted in all government initiatives as part of South Africa's economic transformation process.

Gender Inequality. This strategy will seek to address gender inequality. It recognizes that being a woman or a man in South Africa is significantly linked to other social relations such as race, class, ethnicity, age, religion, and sexuality. The strategy recognizes that not all women are disadvantaged in the same way, and that one's multiple identities are important in shaping one's gendered experience. It also implies that forces influencing gender relations operate in all spheres of society. The strategy will be adopted as a mechanism to pro-actively identify and create opportunities in terms of participation and representation for women in all government initiatives.

The Gendered Quota System. To strengthen some of the initiatives already introduced by government in some of its work dealing with transformation, this strategy will introduce a quota system of 30 percent for women's inclusion in terms of participation, representation and resource allocation. Five percent of this quota will be reserved for rural women and the disabled.

The Diversity Intervention. Targeting mainly government institutions and those economic structures supported by it, this strategy will be adopted as a mechanism for addressing multiple inequalities simultaneously. It is aimed at transforming the representation, participation and the culture of all of these institutions and structures. This will be part of 're-humanizing' these and ensuring that they value and recognize differences and begin to address some issues of cultural change. Through this gender tolerance will be encouraged.

Institutional Transformation. Finally, there are institutional approaches that seek to go beyond individuals or structures, to challenge the rules of the game. The organization and structures are under the spotlight, not the women or the marginalized person.

The above approaches will be adopted and enforced for implementation across government, particularly in the economic sector initiatives. The successful implementation will lie with the heads of all relevant government institutions, and will be made part of corporate governance. Implementation across government institutions is essential, since women's economic empowerment is currently not an area of primary focus in a number of dti strategies, as noted below. The Framework seeks to fill this gap and ensure that all dti strategies and programmes include a systematic focus on gender.

TARGETED POPULATIONS

The primary target group of this strategic framework is women who own and manage micro, small and medium sized enterprises, in both the formal and informal sectors of the economy. The secondary target is a nascent women entrepreneur, that is, women who are contemplating but who have not yet launched their business enterprises.

2.1 SPECIFIC SUBGROUPS AND DEFINITIONS

There are, however, some distinct populations that have historically been under-empowered or are in need of targeted assistance. The **Strategic Framework on Gender and Women's Economic Empowerment** will thus pay particular attention to the needs of these six specific sub-groups of women:

2.1.1 Woman owned and or managed informal enterprise: refers to any women owned and or managed informal enterprise which is involved in entrepreneurial activities with the intention of making profit but lack formality in terms of operating systems and is not formally registered with local authorities for trading license.

2.1.2 Woman owned and or managed rural enterprise: refers to any enterprise owned and or managed by a woman who both her place of permanent residence and the enterprise's geographical location are considered rural based on demographic and economic factors, as well as patterns of human interaction such as population density, economic base, distribution and access to services and resources (social, economic, political and cultural), and social organization.

2.1.3 Black woman owned and or managed enterprise: is an officially registered enterprise owned and or managed by a black woman, in accordance with the BEE Act, who holds more than 50 % of the exercisable voting rights.

2.1.4 Women's cooperatives: is an autonomous association of persons, at which more than 50% of ownership and exercisable voting rights are in the hands of women, united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.

2.1.5 Women owned Consortium: is a group made up of two or more women owned companies, at which more than 50% of ownership and exercisable voting rights for each company are in the hands of women, formed to

undertake an enterprise or activity that would be beyond the capabilities of the individual members. Each entity within the consortium is only responsible to the group in respect to the obligations that are set out in the consortium's contract. Therefore, every entity that is under the consortium remains independent in her normal business operations and has no say over another member's operations that are not related to the consortium.

2.1.6 Women's business organizations/associations: refers to an official institute subscribed to by both established and aspiring businesswomen with the intention of, inter alia, lobbying and advocating for women owned and managed businesses and promoting the interests of women's business and profession through networking.

Some specific areas of focus within each of these populations – in addition to those already outlined in the previous section – are outlined below.

2.2 STRATEGIC PARTNERS

This strategic framework, though being proposed and guided by the South African government – in particular the Gender and Women's Empowerment Unit of the **dti** – cannot succeed if it is driven by and within the public sector alone. To truly succeed, other stakeholders must be involved, both in formulating the elements of the strategic framework, and in carrying out its objectives and goals.

The following groups have been identified as strategic partners in this endeavor:

- Business organizations (irrespective of the gender and sex of affiliated members)
- Non-governmental and Community-Base Organizations
- South African Chambers of Commerce and other business organizations
- Public institutions (National, Provincial and Local)
- Private sector stakeholders, including corporations and financial institutions
- Business and/or enterprise support agencies
- Business advisors and community-based enterprise development initiatives
- Academic institutions
- International donor, finance, and policy organizations

FOCUSED PROGRAM INTERVENTIONS

To fulfil the vision, mission and objectives of the **Strategic Framework on Gender and Women's Economic Empowerment**, it is not enough to ensure that all business assistance programmes already in existence are open to women. This Framework outlines several programme initiatives focused specifically on women business owners and it targets specific populations of women business owners, particularly those owning and managing small to medium enterprises.

In seeking to address gender inequity in a quantifiable manner, and to strengthen some of the transformation initiatives already introduced by government, this framework will introduce a **quota system of 30 percent for women's inclusion** in terms of programme participation and representation and, most importantly, in terms of resource allocation. Five percent of this will be reserved for rural and disabled women. This will help ensure fair and gender-sensitive resource allocation and pave the way for women's entry into economic activities previously reserved and currently heavily dominated by males.

There are six topical areas of Enterprise Development support targeted in this framework:

- Provision of business information
- Entrepreneurial education and training
- Financing
- International trade development support
- Research and statistics on women's entrepreneurship
- Science and technology

Each of these areas of targeted assistance is described briefly below.

3.1 WOMEN AND THE FINANCIAL MARKET

The advent of the South African democracy in 1994 brought with it government efforts dedicated and committed towards creating a conducive and viable financial environments for South African enterprises to grow and flourish in. Through the dti institutions, like the Khula Enterprise Finance Ltd., the IDC and the NEF, various financial support interventions have been introduced. These include Micro Credit Schemes, Incentives Schemes, Venture Capitals and Equity Funds, which were aimed at providing financial support for previously disadvantaged groups. The recent

review of these measures increased awareness about the need for service delivery to women. Coupled with the urgent need to finance BEE initiatives, new interventions were introduced in an effort to attract women.

Access to finance has always been identified as one of the major problems faced by women in starting and growing their businesses. Women owning and managing small to medium-sized enterprises have alluded to the criteria and various conditions set for accessing finance as an obstacle to accessing funds. This has been said to be applicable to finance availed by either the traditional financing institutions like the banks as well as those of government, particularly to all those of the dti. In addition, both legal and subtle gender discriminatory attitudes and practices still inform the daily business culture and management of these financial institutions. As a result, many women heavily rely on personal or family financial support mechanisms for either starting or growing their enterprises, thus remaining in the margins of the economy.

Access to finance is therefore critical for growing and sustaining women-owned enterprises in South Africa. As noted in the Financial Sector Services Charter, especially low levels of participation, meaningful ownership, control, management and high-level skilled positions by black women characterize the financial sector. Concrete mechanisms are needed to reduce inequity and eradicate obstacles hindering access to finance for all women and for black women in particular.

The following interventions are proposed for introduction and adoption:

- *Gender Budget Analysis:* As a basic requirement for designing and presenting the National budget as well as those of various government institutions, this process will include indicating which aspects of the budget and how these various aspects of the budget will benefit women. The proposed quota would require that at least 30 percent of all the budgets should be geared towards empowering women.
- *30 Percent Finance Quota System:* All existing government financial schemes should have targets reserved for women, in order to support and grow their businesses.



- *Improving Access to Finance for Women in Business:* **the dti** will work with existing private sector financial service institutions and funds and current government funding mechanisms to encourage further outreach to women, particularly black women in line with the aims of the Financial Sector Services Charter.
- *Business Support Development Fund for Women:* This fund would support training and capacity building measures for women owning small to medium-sized enterprises.

3.2 MOBILISING AND STRENGTHENING SA WOMEN IN BUSINESS

Business Associations: Business organizations, such as membership associations and chambers, play a vital role in growing the South African economy. In the past three years South Africa has experienced an increase in women's business organizations. Their main contribution has been organizing women as a group to access resources and opportunities, and they serve as an instrument for implementing certain government services.

Most women's business organizations are focused on specific business sectors, and some are local in coverage. Apart from the fact that many of these organizations are new, they are faced with various challenges as they try to pursue their objectives. In a **dti** consultation held in April 2004, leaders representing these organizations articulated their main challenge as of the need for access to seed organizational funding. Due to the fact that these are new, many institutions are reluctant to assist them with funding their office infrastructure and staff capacity, critical for ensuring efficient delivery service to its members. This in itself poses a serious threat to the existence and the sustainability of these organizations. Currently their leaders, who also provide capacity in terms of delivering the services, fund these structures.

To build the capacity of these vital organizations, the following is recommended:

- *Business Organizational Leadership Programme:* This training programme will target leaders of these organizations. Training will provide them with skills and expertise needed specifically for corporate governance, organizational leadership and people management.
- *Business Institutional Building Management Bridging Fund:* This will provide organizations with additional funds for supporting infrastructures and will also;
- Provide them with basic yearly salaries for three primary staff members (CEO, Receptionist and Administrator) and an organizational auditor.
- *Partnership Programme Support Fund:* Funds will be specifically allocated for supporting the implementation of some of their programmes, particularly those pursuing government objectives.

3.3 ENTREPRENEURIAL EDUCATION, TRAINING & SKILLS DEVELOPMENT

In the past five years, South Africa has experienced an increase in the number of women-owned businesses. Thus, women are now taking the challenge of advancing their economic rights by creating and accessing opportunities for themselves. Through **the dti** and other government gender equality programmes, SA women have been establishing both small and medium-sized enterprises while redefining their role as creators of employment, as well as contributors in growing the South African economy.

Many of these women, however, come into business ownership with less work and managerial experience than their male counterparts. Thus, providing direct education and training for current and prospective women business owners is the single most important service that **the dti** and other government and non-governmental organisations can provide to boost the growth of women's entrepreneurship.

The following interventions are therefore proposed:

3.3.1 Entrepreneurial Education and Internship

- *Self-Employed Development Support Programme:* This will target women in the informal economy. The support will focus on providing them with basic business management skills and preparing and encouraging them to enter the formal economy.
- *Young Women Entrepreneurship Programme:* This will prepare young women, mainly students and school leavers, for the entrepreneurship world. This will happen mainly through incubation, involving placements of interns at established enterprises owned and managed by women.
- *Women Enterprise Programme (WEP):* This initiative will train and coach women entrepreneurs who are in small and medium-sized businesses that are on a growth path.
- *SA Women in Business:* This will mainly focus on promoting and improving growth and competitiveness of women-owned businesses. It will involve providing them with information, skills and knowledge in accessing capital and business support services required for exporting.
- *Expert Advisors for Business Women:* This will involve recruiting and training people who can act as advisors for women entrepreneurs and business owners. Their role will be to provide immediate and daily business management consultancy services to women in business.

3.3.2 Cooperatives

Cooperatives present a significant opportunity to alleviate poverty and economically engage women, particularly in rural areas. There is no doubt that many South African fashionable products for both the local and the international market. In the case of agricultural cooperatives, the involvement of more women in economic activities would result in a more integrated production of food and cash crops.

It has been clearly stated in a Co-operative Development Policy of South Africa that "special" consideration in co-operative promotion shall be given to increase the participation of women in the co-operative movement at all levels, particularly those at management and leadership levels. The cooperatives present the South African government with the opportunity of fast tracking rural women's economic empowerment, which is critical for achieving the overall rural development strategy.

There are several unique challenges faced by women-led cooperatives, including product development and access to both local and international markets. To further develop women's economic empowerment through cooperatives, the following interventions are proposed:

- *National Awareness Drive Initiative:* This will be aimed at raising awareness among women on economic empowerment and recruiting more women to be part of the cooperatives.
- *Capacity Building Training Programme Initiatives:* This will be aimed at providing women who are already members of cooperatives with basic to more advanced enterprise management skills. Also, this training will include an element of product development and marketing skills.

3.3.3 Rural Women and the Informal Economy

Like rural communities in general, rural women entrepreneurs are disadvantaged primarily on the basis of their geographical location of their enterprises. In addition, many are illiterate and thus fail to even engage and or benefit from the limited information that reaches them. Those who have succeeded in becoming economically active have cited access to both local and international markets as another hindrance for growing their enterprises.

The overall contribution of the informal sector to South African economy is frequently understated, since it is largely unmeasured. As much as it is often concluded that majority of South African women enterprises are located in the informal sector, their active economic participation continues not to be reflected.

The challenges for these two populations are similar: training and education, increased access to markets, and assistance with graduating from informal to formal, registered enterprises.

By working closely with the Rural Women's Movement and other local business organizations, as well as local government structures, the following initiatives will be introduced:

- *Economic Literacy Development for Rural Economies:* This will provide information on educating women on broad economic issues. It is important that this course be available mainly in rural and peri-urban areas.
- *Economic Capacity Development for Women:* This will train women on tendering procedures and how to access various business opportunities and incentives availed by government and other partners.

Additional initiatives will include programmes already implemented by the department of Arts and Culture, Tourism Board, Department of Land and Agriculture as well as the Department of Water and Forestry. Strengthening and growing women's participation and representation in related sectors will be a priority. The quota system will be the most effective mechanism adopted to ensure the success of this goal.

3.3.4 Provision of Business Information

Sharing basic business development information and sources of support is an important service that government can and should provide. Such information can include where to go for training, finance, tendering, and policy and programme issues.

Poor access to business information is a critical issue affecting the progress of women owning and managing enterprises, as confirmed by women at the dti SAWEN launch, held in 2002. Poor access to information leads to lack of knowledge on how to access critical business opportunities and resources imperative for supporting women's enterprises and can lead to the closing down of already established enterprises.

If women are to be part of growing the South African economy, including creating job opportunities, simple information, presented in a clear format will need to be made available for them. This will also encourage and support other women to join the mainstream economy through enterprise development.

As part of this targeted support, the following interventions are proposed:

- *Information Business Forum for Women:* This will include broad and sector focused business information sessions targeting businesswomen.
- *Annual Business Symposium for Women:* This will involve organising an annual symposium where different agencies having services (training, finance, IT, marketing, etc.) will be invited to present on these. The activities will take the format of exhibitions and demonstration lectures. **the dti** can host this in conjunction with the Government Communication and Information System (GCIS) as the chief government information agency.
- *Your Government Telling You Like It Is:* This project will develop a website specifically for women in business. Information contained will include all business opportunities and resources that can be accessed by women. Also, tenders and other business invitations can be placed here. The website will be managed by Government Communications and Information System (GCIS) in partnership with **the dti**.

3.3.5 Science and Technology

The advancement of new technologies, particularly information and communications technologies (ICT) in the broader economy have presented women's enterprises with a challenge. South African businesswomen are currently actively engaged in process of searching and identifying suitable

related technologies for their enterprises. Many of these women lack access to technologies that will assist them in growing their enterprises.

Serious efforts are needed to ensure access to ICTs for women in business, and to encourage more women to enter science and technology fields.

To achieve this goal, the following interventions are proposed:

- *Technology Fund for Women in Business:* This fund will provide financial incentives for women to access technological business solutions for growing their enterprises. This can be a sub-programme of the existing programme known as the Support Programme for Industrial Innovation (SPII), currently managed by the dti as part of the Enterprise, Industry and Development Division.
- *Women and Technology Business Awareness Programme:* This will be a national awareness drive programme aimed at encouraging women to use technology for advancing their business. It can be linked to the current Technology for Women in Business (TWIB) Programme. Special attention will have to be given to black women and those who are part of the cooperatives.

With regards to Science, the following intervention is proposed:

- *Innovations by and for Women in Business:* This programme will link women with relevant science-driven business solutions that will encourage their business creativity and potential. It will include exposing them to both local and international forums and assist them to diversify and modify their products to meet ever-changing business demands. This intervention will also include hosting an annual women science and technology expo.

3.4 TRADE AND DEVELOPMENT

Trade plays a vital role in enhancing the export potential of enterprises as well as helping them become an active player in the global economy. Trade policies affect employment, markets, production, distribution and consumption patterns, cultural values, social relations and the environment; all of which engage women. International and local South African trends confirm that women's

concerns continue to be largely absent in the agenda of trade liberation policy-making and analysis.

Women's ability to participate in trade depend upon their access to jobs, credit, education, land training. Yet these are areas in which they have been discriminated against and excluded from. In South Africa, women continue to be under-represented in trade negotiating teams and delegations. This has led to poor representation and participation of women in export activities, various forms of international cooperation, such as joint ventures, foreign direct investment and other strategic alliances.

Initiatives from the South African government to begin to address this issue have included hosting conferences addressing the subject of gender and trade, aimed at raising awareness and promoting the issue. Also, through **the dti**, a Gender Chapter of the SADC Free Trade Agreement, followed by an Implementation Plan was developed, and approved at Ministerial level under the leadership of Mr. Alec Erwin in 1998.

The following policy and programmatic interventions are proposed to ensure that trade issues in South Africa address gender and women's empowerment holistically and consistently:

- *Mainstreaming gender in the formulation, implementation and evaluation of trade agreements and initiative:* The gender chapter as part of the SADC Trade Agreement presents a good example on how this should be done.
- *Organize public debates and discussion forums on trade:* Such discussions should target and include women.
- *Introducing a 30 percent quota in the composition of government and business trade delegations:* In addition, gender advisors should be made part of these teams.
- *International Linkages for Women:* This will include establishing exchange training and information programmes with organizations and countries that have made progress in addressing issues of gender and trade.
- *International Trade for Women:* This will include hosting and participating in international women's trade expos aimed at showcasing South African women-owned businesses that are ready for competing internationally.



3.5 ENGENDERING BLACK ECONOMIC EMPOWERMENT

5.1.1 *Black Economic Empowerment*: The Black Economic Empowerment (BEE) process, like most economic processes, is not gender neutral. Black women are the majority of the second larger nation of the so-called two South African nations. Black businesswomen continue to be the last to benefit from the economic mainstream. These enterprises are mainly established from personal funds, including those from other family members and friends. In cases where funds are generated outside, these are either from informal lending sources or in some cases from state owned or supported agencies.

Women who start these businesses often do so because they cannot find a formal sector job. Studies have shown that most earn less than they would in the formal sector. The participation of women in the BEE process cannot and should not be reduced to minimal representation in a few economic structures as it is today. Gender sensitive mechanisms are required for ensuring that BEE is a fully realized broader based economic growth strategy that automatically widens the scope for women's involvement in the economy.

To achieve this, the following interventions are proposed:

- *Compilation of a Annual Black Women Business Database*: This will highlight summary business profiles of these enterprises as well as their contact details.
- It will be circulated to various government and private sector organizations for procurement services as well as other business dealings.
- *Drafting of Gender/Women's BEE National Implementation Guidelines* to standardize women's participation and representation in various business sectors. This will strengthen the current policy and implementation process.
- *Economic Literacy Development Programme for Women*: This will provide information as part of educating women on broad economic issues. It is important that this course be availed mainly in rural and peri-urban areas.
- *Economic Capacity Development for Women*: This will train women on tendering procedures and how to access various business opportunities and incentives availed by government and other partners. Part of this will include training and advising women to form winning business consortiums for pursuing related BEE deals. Private sector companies will also be encouraged to procure their services from credible women-owned businesses.
- *An Enabler for Business Women*: This will include imparting basic skills and expertise on IT and ICT to bridge the gap that exists among women in business and help them become economically and globally competitive.

All the above-mentioned interventions will be provided in relevant African languages for women.

3.6 WOMEN IN BUSINESS LEADERSHIP

According to Businesswomen's Association (BWA)'s 2006 Census key finding, Women are significantly underrepresented in top corporate leadership positions with 16,8% of Executive Managers and 11,5% of Directors. However, it would seem that it is easier for women to become chairs of boards than it is for them to become CEOs. The report also reveal that, while there were increased opportunities to appoint female candidates at leadership positions, these were not well-utilized, leading to the conclusion that unless criteria and selection processes are closely monitored it will be difficult to sustain the momentum of improvement. The following policy and programmatic interventions are proposed to ensure maximum participation of Women in corporate leadership:

- Development of a National Data-bank of qualified businesswomen and women managers capable of serving in the boards;
- Establishment of an effective and efficient, Gender Sensitive Monitoring System, on selection process and allocation of 50% quota when appointing Board of Directors;
- A National Training Programme to capacitate both businesswomen and women managers with the required expertise of executive management (CEO).

3.7 RESEARCH AND DEVELOPMENT

A recent review commissioned by the dti and the South African Women Entrepreneurs' Network (SAWEN) of available research in the field of South African women in business³ has revealed that there is a dearth of information available regarding the number and contribution of women-owned enterprises in South Africa. The absence of this kind of information has led to poor and ineffective support mechanisms to support women's enterprise development.

Countries that have successfully gathered and monitored information on women in business have shown that their contribution to economic activity and employment has been increasing. In order for South Africa to show progress in the development of women's enterprise, mechanisms for gathering statistics and conducting research on women-owned firms are essential.

The following interventions are proposed:

- *SA National Research Project on Enterprising Women:* This will be an ongoing national research project managed by an independent agency. The overall aim is to determine the national status quo of women in business, highlighting their profile, and their overall contribution to the South African economy. The study will also review strengths and challenges, advantages and disadvantages facing this sector, as well as interventions aimed at supporting women in business.
- *Mainstreaming of gender equity objectives in all government economic and statistical research and information gathering processes and projects:* This will be part of prescribing and revising the criteria for conducting the economic research and information gathering processes and projects by ensuring that a sex-disaggregated method of collecting, analyzing and presenting information is adopted.

³ See Annex 4: dti & SAWEN, South African Women Entrepreneurs, A burgeoning force in our economy, 2005.



PROCESS FOR IMPLEMENTING THE STRATEGY

4.1 Five year Implementation plan of the Strategy in order of priority 2007-2011

Phase One: Women and the Financial Market – Establishment of a National Women’s Fund.
(One year) 2007

Phase Two: Mobilizing and strengthening South African Women in Business. Member organizations of the NCBWO. (Two years) 2007-2008

Phase three: Entrepreneurial Education, Training and Skills Development. Cooperatives, Rural enterprises, Internships and Science and Technology
(Five years) 2007-2011

Phase four: Trade and Development. Trade missions and Export development.
(Five years) 2007-2011

Phase Five: Research and Development 2007-2011

Phase six: Annual review, evaluation and adjustments as part of the department’s strategic planning.

Adequate financial and human resources are set aside to ensure that gender mainstreaming takes place (Beijing Platform for Action; National Policy Framework for Women’s Empowerment and Gender Equality).

Appropriate training to improve knowledge, skills and attitudes in gender analysis and gender equality is provided to all policy makers, strategic and operational managers (National Policy Framework for Women’s Empowerment and Gender Equality).

Efficient machinery is set up at national and provincial levels and in public and private organizations to ensure that gender is mainstreamed in all areas of work. (Beijing Platform for Action; National Policy Framework for Women’s Empowerment and Gender Equality).

Effective collaborative strategies to enhance relationships between formal political structures such as the Cabinet, Ministries, the Commission on Gender Equality, the Office on the Status of Women; the Parliamentary ad hoc committee on the Quality of Life and Status of Women; and other portfolio committees. (National Policy Framework for Women’s Empowerment and Gender Equality).

MONITORING AND EVALUATION

The only way to measure the gender impact of service delivery is by having specific gender indicators as part of the monitoring and evaluation system. These, in turn, can only be significant if organizations keep regular, accurate and updated sex-disaggregated statistics. These statistics must go beyond indicating how many men and women are employed by the organization (usually the most readily available statistics in any organization) to including sex-disaggregated data for beneficiaries.

the dti will work with other government programme initiatives to ensure that sex-disaggregated statistics are being collected. It will also work to ensure that regularly collected micro-economic business indicators can be sex-disaggregated. Toward that end, the dti is presently developing Economic Performance Indicators (EPI's) or outcome indicators, as well as Institutional Performance Indicators (IPI's) in nine areas:

- | | |
|---|---|
| <ul style="list-style-type: none"> • Gross domestic product (GDP) • Employment • Investment • Exports • Small, Medium, and Micro Enterprises (SMMEs) | <ul style="list-style-type: none"> • BEE • Women's empowerment • Future competitiveness • Geographical spread of social and productive investment |
|---|---|

Since women's empowerment was only adopted as a performance indicator in March 2005, specific EPI's and IPI's must still be developed. For instance, gender mainstreaming is best achieved by "engendering" each of these targets as follows:

ECONOMIC TARGET	INSTITUTIONAL TARGET
Employment: create 100, 000 jobs, of which half are for women, in non- traditional areas of employment.	Assist 1,000 small companies to start up, at least half of which are owned by women.
BEE: Create 1,000 black-owned SMMEs, of which half are owned by women	Adjust existing incentives, or design new incentives, with particular regard for the difficulties faced by women in accessing credit and technical know-how to go into business.

As **the dti** develops this important management tool, the GWE Unit will work closely with various local, provincial and national structures to ensure the successful implementation of the framework. An initial version of a Performance Activity Matrix for setting out goals and monitoring performance is included on pages 27 to 33.

Such a tool will be invaluable not only for activities within **the dti**, but as well as in other agencies. Summarizing programmatic activities in this manner will help meet goals and targets, and will ensure government transparency to private sector stakeholders.

In addition to working with other government statistical and programmatic agencies to develop performance matrices, **the dti** will work within their network of women's business organizations to conduct regular surveys among women business owners in South Africa. Thorough monitoring and evaluation should not only measure macro-economic and micro-economic outputs, but should evaluate the success of programme initiatives and measure the needs and challenges of current and would-be women business owners. In this way, existing programmes can be improved, and new initiatives to address future needs can be created.



MANAGEMENT AND OVERSIGHT

the dti has been fortunate to be one of the government departments to have had a Gender Management System (GMS) in place for some time. The existence of the GWE Unit with a strong Women's Forum has been critical in bringing about internal transformation in the department, particularly at the top management level. To address external issues, the unit has established the Gender and Women's Economic Empowerment Advisory Committee (GWEAC) and has facilitated the SA Women Ministers Forum. Whilst the GWEAC has been involved mainly in **dti** related activities, the women minister's forum has been used for providing leadership and support, essentially when it comes to international participation of women in business. A strong working relationship has also been established with economic provincial departments critical for facilitating women's access to **the dti** programmes and services.

For the effective management and oversight of the strategy, the following structures are proposed:

- *Inter-departmental Task Team on Gender and the Economy:* Under the leadership of **the dti**, this group will consist of all government provincial and national officials responsible for the gender programme.
- *National Committee for Business Women's Organizations (NCBWO):* This newly formed group will consist of chairpersons and a secretary from key businesswoman's organizations.
- *Ministerial Special Task Force on Women's Economic Empowerment:* This team will consist of credible female captains of industries, enterprises and government female director generals. Their responsibility will be to support the overall implementation and resourcing of women's economic activities, as well as to receive complains on unfair economic and business practices and make recommendations on these.
- *SA National Council on Gender & Women's Economic Empowerment:* This will consist of women ministers, deputy ministers, heads of mission, placed in government institutions falling under the economic cluster, including all members of the Ministerial Special Task Force. Invited members will come from women's business organizations and government departments. Its overall responsibility will be to engage with the progress report forwarded by all above mentioned structures, make national recommendation on these and ensure that they receive the attention of the South African cabinet, in particular the office of the President.

GLOSSARY

Consortium: A group of corporations, financial institutions or other companies that join forces to achieve a mutually agreed upon objective, requiring cooperation and pooling of resources.

Economic justice refers to an economy that is not based on massive inequalities and exploitation, and one in which all people have adequate means to provide for their food, shelter, education and health requirements.

Formal economy: Official economy, as recognized by the government and based on paid employment. Work recorded in official statistics.

Gender analysis refers to the analysis of the relationships between women and men in society, as individuals, as groups and within institutions. It identifies and understands the different social, cultural and economic realities, needs and interests of women and men and the inequalities of their relationship.

Gender-aware policies recognize that women, as well as men, have an important role to play in society; that the nature of women's involvement is determined by gender relations, making their involvement different and often unequal; and that women have different needs, interests and priorities, which sometimes conflict with those of men.

Gender budgeting / accounting refers to budget processes and tools that can be used to assess gender-specific impacts of government budgets.

Gender-disaggregated data is the statistical information that breaks down the base information for the activity under analysis by providing the numbers of men and women. Gender-disaggregated data is necessary for good gender analysis.

Gender equality is often understood as equality of opportunity. This means that males and females are not discriminated against when accessing opportunities.

Gender equity is about equality of outcomes and about fairness.

Gender mainstreaming is about considering gender in all policies, planning, budgeting and monitoring instead of addressing gender as a separate issue through separate programmes.

Gender Management System (GMS) is the network of structures, mechanisms and processes put in place within an existing organizational framework, to guide, plan, monitor and evaluate the mainstreaming of gender into all areas of the organization's work, in order to achieve greater gender equality and equity.

Gender-sensitive / gender-responsive: A gender-sensitive or gender-responsive policy addresses the different situation, roles, needs and interests of males and females.

Informal economy: Processes of income generation that are unregulated by the institutions of society, in a legal and social environment where similar activities are regulated.

Khula Enterprise Finance Ltd: A limited liability company established by the Department of Trade and Industry in 1996 as part of the government's small business promotion programme. Khula provides financial products and services (loans, guarantees, mentoring) directly to SMMEs and to Retail Financial Intermediaries (RFIs).

Sex versus gender: Sex refers to the biological differences between men and women. It is fixed and does not change over time, across countries or cultures. Gender refers to the socially constructed differences between men and women, which can change over time and which vary within a society and between societies.

Women's cooperatives: Voluntary organizations of women who collaborate to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.

Women owned or managed enterprise is a business enterprise, in which at least women own 51 percent of voting stock.





thedti

Department of Trade and Industry

Enterprise and Industry Development Division: EIDD

Gender and Women's Empowerment Unit

Tel: 012 394 1602

Fax: 012 394 2602

Email: MMabatho@thedti.gov.za