

Gender gap in entrepreneurship receding

Financing figures from local small and medium enterprise (SME) risk financier, Business Partners Limited (BUSINESS/PARTNERS), shows an encouraging cultural and empowerment shift in South Africa.



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41% of BUSINESS/PARTNERS' clients are female-owned SMEs – where at least 25% of the business is owned by women, and in which the female entrepreneur is actively involved. Further encouraging is that of the R310m invested in female entrepreneurs in the 2016 financial year, the majority went to businesses in the traditionally male-dominated industries of manufacturing and retail.

Jeremy Lang, regional general manager at BUSINESS/PARTNERS, says that recent investments also show that women are going into formerly male-dominated industries such as engineering. Additionally, sectors where female entrepreneurs have already established a sizeable presence, such as tourism, education and the beauty industry, continue to be well represented in the company's investments into women-owned businesses.

Choosing entrepreneurship as a career

“The most encouraging signs of the closing gap between male and female entrepreneurs is the increasing number of women who are actively and consciously choosing entrepreneurship as their career, as opposed to those who have had entrepreneurship thrust upon them by inheritance or the necessity of having to provide for a family.

“If these trends continue, BUSINESS/PARTNERS could soon reach parity between male and female clients, a major milestone of economic transformation that was unthinkable a few decades ago,” says Lang.

He adds, however, that although South Africa has taken major strides towards the empowerment of women, a good deal of work still remains to be done to effectively eradicate the country’s age-old gender gap. The recent GEM South Africa 2015-2016 report shows that 7% of the female adult population in 2015 were engaged in early-stage entrepreneurial activity (TEA), this is in comparison to the marginally higher 11.6% reported for the male population.

“Sectors such as manufacturing are still largely male-dominated and pose significant barriers to any new entrants, particularly for female entrepreneurs who may have less technical experience and smaller networks due to a long history of entrenched discrimination in those industries.”

Women face greater difficulties

Lang adds that women also tend to face greater difficulties due to having fewer business-orientated networks in their communities and a lack of access to female role models and business mentors. “It is thus vital that South Africa’s business community and funding institutions don’t simply rely on changes in the marketplace to boost entrepreneurship among females, but that they actively and continuously empower women in the workforce,” he says.

In 2015, BUSINESS/PARTNERS launched its R250m Women in Business Fund – with the aim to afford South African women a fair and equal opportunity to start, expand or purchase an existing business – to ensure continued emphasis on encouraging female entrepreneurship. “As technical support is often required to strengthen a business, the Women in Business Fund supports female clients with grants up to the value of R25,000 for technical assistance as part of the finance package. Should further technical assistance be required, interest-free loans up to the value of R35,000 are also available to female entrepreneurs approved for loans under the fund.”

More women requesting information

Lang says that the need and demand for such support services has been affirmed by the volume of calls received from female entrepreneurs during 2016 to date via the BUSINESS/PARTNERS Entrepreneurs Growth Centre – a free resource which aims to provide information and guidance needed to run a successful business to the entrepreneur, through an easily accessible team of consultants. Over 1000 calls, close on a third of all calls recorded, are from women requesting information about starting and growing their own business.

“However, based on these calls, 658 business plans that were submitted to BUSINESS/PARTNERS, of which only 188 were from women – highlighting female entrepreneurs’ cautiousness to start a business,” says Lang.

He concludes that while such a cultural shift will understandably take time, an integral component of changing public perception is the constant recognition of the progress that has been made thus far. “The more we celebrate successful female entrepreneurs as role models and provide tangible support and finance for female entrepreneurs, the more entrepreneurship will be entrenched as a legitimate and noble career choice for women.”