Women- and Youth owned SMMEs:
the status, needs, challenges
and opportunities in South Africa

Integrated Report
Executive Summary

The Small Enterprise Development Agency (Seda) in partnership with the Department of Small Business Development (DSBD) commissioned an in-depth analysis of the state, performance, needs, challenges and opportunities of women- and youth-owned small businesses in South Africa.

While much research has been done on small businesses in South Africa, there are still many knowledge gaps relating to their performance, needs, challenges and opportunities, particularly those owned by women and youth (DSBD, 2017b). This makes it difficult to make meaningful interpretations of whether the policy directives and support interventions being implemented by the government are appropriate and making any significant impact on small business development in the country.

A mixed method research design was used for this study, using both qualitative and quantitative research approaches with regards to data collection techniques, analysis and inference techniques. Although this study comprise of a comprehensive literature review to provide the context of South African women- and youth-owned SMMEs within the greater global and national context, the primary research conducted provided empirical, in-depth and specific findings.

The primary research consisted of three phases

1. **Strategic policy direction workshop**
   This entailed the facilitation of a workshop with key stakeholders to gain empirical information to support and inform policy and programme development in support of women- and youth owned SMMEs in South Africa. In particular, the stakeholders assisted in identifying challenges and gaps experienced by stakeholders in government (and its agencies) and industry associations in supporting women and youth owned SMMEs.

2. **Focus Group Discussions**
   A total of 18 Focus Group Discussion sessions were hosted, which consisted of a dedicated session for women SMME owners and a dedicated session for youth SMME owners in each of the nine provinces. A total of 130 women participated, and 96 youth.

3. **Telephonic surveys**
   Seda’s client database (2015-2018) were used as the population for this study. A total of 33 459 individuals met the criteria of either being a female- and/or youth (35 years of age or younger, male or female) business owner/entrepreneur. The breakdown of successful interviews conducted, are set out below:

<table>
<thead>
<tr>
<th>Total number of respondents</th>
<th>Women Business Owners</th>
<th>Youth Business Owners</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active businesses</td>
<td>205</td>
<td>210</td>
<td>415</td>
</tr>
<tr>
<td>Failed businesses</td>
<td>16</td>
<td>22</td>
<td>38</td>
</tr>
<tr>
<td>Businesses at idea stage</td>
<td>49</td>
<td>54</td>
<td>103</td>
</tr>
<tr>
<td>Total</td>
<td>270</td>
<td>286</td>
<td>556</td>
</tr>
</tbody>
</table>

The key findings for this study are set out below.
• Women and youth owned businesses face the same challenges faced by any and all SMMEs in South Africa. However, the ‘nuances’ of these challenges differ in how it is experienced, based on the individual situation and location, which may be influenced by aspects such as age and/or gender.

• The cause of various challenges faced by women and youth SMMEs, and the way in which women and youth experience many of these challenges, are deep rooted. Many issues stem from cultural beliefs and norms, as well as from South Africa’s unique history. These challenges need intervention beyond purely business or financial assistance, but would require broader social change and awareness of human rights, as well as normalising entrepreneurship as a career prospect.

• Responding women and youth SMMEs (Seda clients) are low-revenue businesses and low job creators, earning, on average, a turnover of less than R240 000 a year, and employing, on average less than 3 persons (including themselves).

• Responding women SMMEs are mainly found in the retail trade sector and hospitality sector, while the youth SMMEs are concentrated in the services sector and the agriculture sector.

• Through interactions with women and youth SMME owners, it became clear that most found it difficult to understand or recognise business opportunities. When directly asked what business opportunities they see for themselves/their business, most could not answer, or said they were not sure. When considering that most of the SMMEs that were engaged were necessity driven, this makes sense – and reiterates that a definite distinction exists between a business owner and an entrepreneur.

• Both groups (women and youth SMME owners) are subject to being stereotyped, most have some degree of self-doubt/lack of confidence, most don’t possess an entrepreneurial mindset (they are necessity driven) and many indicate that they do not enjoy family support.

• Both groups (women and youth SMME owners) reported that the South African business environment is not conducive. Most notable challenges include excessive red tape, and compliance criteria, corruption in public procurement, government turn-around times and being subject to sexual harassment when dealing with decision making officials/individuals.

• Women and youth SMME owners indicated that the greatest shortcoming with government support and training, is that it adheres to a “one size fits all” approach. Many are subjected to various forms of the repeated training when seeking support, which may not speak to the actual need of the specific business.

• Women and youth SMME owners identified the lack of access to finance and funding as the single greatest challenge that they face. Being rejected for funding leaves many despondent and leads to most questioning the ultimate success of their business. Most indicated that they struggle to access funding due to a reported lack of formal business experience, limited credit history and lack of collateral. Many indicated that this is a vicious cycle, as to be awarded a contract, you need to show you have resources to fulfil it, while in order to acquire resources, you need to show that you have been successful in delivering your products or services.

• Through the interactions, it has been derived that many SMME support programmes are mere duplications of one another, and in many cases, the support received from different government support agencies are not aligned. This results in great frustration and results in SMMEs being stuck at a specific stage of their business growth, due to not receiving the appropriate support. Reportedly, there is a lack of pathway or coordinated effort among different agencies to assist SMMEs in a clear, holistic journey.
Many women and youth SMME owners indicated that they are unable to afford required infrastructure, and in particular relevant business premises with the appropriate equipment. Many acknowledged that government subsidised co-working spaces exist, but that they cannot access it due to their current location, or stringent criteria they have to adhere to. This was particularly highlighted by SMMEs operating in rural settings.

It was found that many of the women and youth SMME owners, especially those operating in rural settings, lack basic business management understanding or knowledge. For many of them, this further aggravates their inability to access information, to understand their market or recognise opportunities. On top of this, many new business owners are unaware or ignorant of the potential technical or environmental specifications and regulations that they need to adhere to for their product or services to be acceptable to the market.

Reportedly, women and youth SMME owners feel that big businesses squeeze them out of the market and are unwilling to cooperate or collaborate with them. There is also a lack of support from big businesses in the form of mentorship, advice and incubation towards women and youth owned SMMEs.
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<tr>
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<th>Description</th>
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<tr>
<td>3D</td>
<td>Three Dimensional</td>
</tr>
<tr>
<td>4IR</td>
<td>Fourth Industrial Revolution</td>
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<tr>
<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
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<tr>
<td>BBBEE</td>
<td>Broad-Based Black Economic Empowerment</td>
</tr>
<tr>
<td>BEE</td>
<td>Black Economic Empowerment</td>
</tr>
<tr>
<td>CIPC</td>
<td>Companies and Intellectual Property Commission</td>
</tr>
<tr>
<td>DSBD</td>
<td>Department of Small Business Development</td>
</tr>
<tr>
<td>EC</td>
<td>Eastern Cape Province</td>
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<tr>
<td>EODB</td>
<td>Ease of Doing Business</td>
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<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>FS</td>
<td>Free State Province</td>
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<tr>
<td>FTE</td>
<td>Full-time Equivalent</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>GEM</td>
<td>Global Entrepreneurial Monitor</td>
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<tr>
<td>GNP</td>
<td>Gross National Product</td>
</tr>
<tr>
<td>GP</td>
<td>Gauteng Province</td>
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<tr>
<td>HICs</td>
<td>High Income Countries</td>
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<tr>
<td>ICT</td>
<td>Information and Communication Technologies</td>
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<tr>
<td>IFC</td>
<td>International Finance Corporation</td>
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<tr>
<td>ILO</td>
<td>International Labour Organization</td>
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<tr>
<td>KZN</td>
<td>KwaZulu-Natal Province</td>
</tr>
<tr>
<td>LAC</td>
<td>Latin America and the Caribbean</td>
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<tr>
<td>LED</td>
<td>Local Economic Development</td>
</tr>
<tr>
<td>LP</td>
<td>Limpopo Province</td>
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<tr>
<td>MP</td>
<td>Mpumalanga Province</td>
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<tr>
<td>MSME</td>
<td>Micro, Small and Medium-Sized Enterprises</td>
</tr>
<tr>
<td>NC</td>
<td>Northern Cape Province</td>
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<tr>
<td>NW</td>
<td>North West Province</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<tr>
<td>QLFS</td>
<td>Quarterly Labour Force Survey</td>
</tr>
<tr>
<td>SADC</td>
<td>Southern African Development Countries</td>
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<tr>
<td>SARB</td>
<td>South African Reserve Bank</td>
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<tr>
<td>SBI</td>
<td>Small Business Institute</td>
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<td>Seda</td>
<td>Small Enterprise Development Agency</td>
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<td>Sefa</td>
<td>Small Enterprise Finance Agency</td>
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<tr>
<td>SME</td>
<td>Small and Medium Sized Enterprise</td>
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<td>SMME</td>
<td>Small, Medium and Micro-sized Enterprise</td>
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<tr>
<td>StatsSA</td>
<td>Statistics South Africa</td>
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<tr>
<td>STEM</td>
<td>Science, Technology, Engineering and Mathematics</td>
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<td>TEA</td>
<td>Total Early-Stage Entrepreneurial Activity</td>
</tr>
<tr>
<td>The dti</td>
<td>Department of Trade and Industry</td>
</tr>
<tr>
<td>UK</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
</tr>
<tr>
<td>USA</td>
<td>United States of America</td>
</tr>
<tr>
<td>WC</td>
<td>Western Cape Province</td>
</tr>
<tr>
<td>ZAR</td>
<td>South African Rand</td>
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</table>
Glossary of Terms

**BUSINESS DISCONTINUANCE RATE**
Percentage of the adult population aged between 18 and 64 years (who are either an emerging/nascent entrepreneur or an owner-manager of a new business) who have, in the past 12 months, discontinued a business, either by selling, shutting down, or otherwise discontinuing an owner/management relationship with the business (Bosma & Kelley, 2018).

**EARLY-STAGE ENTREPRENEUR**
Early-stage entrepreneur (business owner) engaged in growing an early-stage business, or one that has recently been founded (Turton & Herrington, 2012).

**ENTREPRENEURIAL ACTIVITY**
Entrepreneurial activity is the enterprising human action in pursuit of the generation of value, through the creation or expansion of economic activity, by identifying and exploiting new products, processes or markets (Herrington, et al., 2016).

**ENTREPRENEURS**
Entrepreneurs (business owners) of the working-age population who seek to generate value, through the creation or expansion of economic activity, by identifying and exploiting new products, processes or markets (Herrington, et al., 2016).

**ENTREPRENEURSHIP**
Widely cited definitions of entrepreneurship include the discovery, evaluation and exploitation of opportunities and as the process by which individuals pursue opportunities without regard to resources currently under control. It is only more recently that another variation of entrepreneurship has emerged - that of individuals who seek entrepreneurship due to a paucity of other options to earn a living, especially in the case of high entrepreneurship rates in low-income countries (Sahasranamam & Sud, 2016).

**ESTABLISHED BUSINESS OWNERSHIP RATE**
Percentage of the adult population between the ages of 18 and 64 years who are currently an owner-manager of an established business, i.e. owning and managing a running business that has paid salaries, wages, or any other payments to the owners for more than 42 months (3.5 years) (Herrington, et al., 2016).

**HIGH TECHNOLOGY SECTOR/INDUSTRY**
The sector that involves the production or use of advanced or sophisticated devices. Generally, entrepreneurs (technology entrepreneurs) in this field are able to develop better business relationships and greater business network with various organisations and businesses than traditional entrepreneurs because of the use of the technology that makes them able to make higher growth (Alzahrani, 2014).

**INFORMAL ECONOMIC SECTOR**
The informal sector of the economy is a sector that is distinguished from the formal sector which encompasses all jobs and businesses which are not recognised as normal income sources, and on which taxes are not paid. There

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1 In South Africa, the working-age population refers to those aged 15 to 64 years (Stats SA, 2019)
are various criteria used to characterise the informal economic sector (Gërxhani, 2004). The main institutional criteria (and criterion) used in characterising the informal sector are the political, economic and social ones, such as the following:

i. **Political and economic aspects**
   - Labour market or status of labour - based on this criterion the informal sector is the sum of all income-earning activities with the exclusion of those that involve contractual and legally regulated employment.
   - Unreported income or tax evasion - tax evasion appears to be essential as well. In this case, the informal sector is described as the sum of all taxable money income left unreported with the intention to evade taxes.
   - Regulation or registration of an activity - characterisation based on regulation considers the relationship between government regulation and the operation of an activity/enterprise. Informal sector enterprises can be unregistered (avoiding company/enterprise registration authorities) and unlicensed (without trading, health and safety permits and avoiding regulatory or tax authorities). One of the more important requirements of starting a business is making sure that all the necessary associated permits and licences are within the chosen industry/sector and aligned with the applicable legislation and regulations.
   - National statistics or gross national product accounts - unlike the formal sector and due to lack of source data, business activities of the informal sector are not included in a country's gross national product (GNP) or gross domestic product (GDP). Due to the fact that the informal sector activity is neither taxed nor monitored by a government, and is not included in that government's GNP.

ii. **Social aspect**
   - Social networks and ease of entry - the International Labour Organisation (ILO) and various other researchers have often stressed one of the main advantages of the informal sector - ease of entry – which has also been considered as a defining feature of the informal sector (Herrington, et al., 2016).

**NASCENT ENTREPRENEUR**

According to the Global Entrepreneurial Monitor (GEM), a nascent entrepreneur is defined as a person who is now trying to start a new business, who expects to be the owner or part owner of the new firm, who has been active in trying to start the new firm in the past 12 months and whose start-up did not yet have a positive monthly cash flow that covers expenses and the owner-manager salaries for more than three months (Bosma & Kelley, 2018).

**NECESSITY-DRIVEN ENTREPRENEURS**

Entrepreneurs (business owners) of working age-population who are forced to become business owners because of a lack of other alternatives. In other words, there are entrepreneurs who started their business mainly because (i) they could not find a well-paid or suitable job and needed a source of income, or (ii) they were unemployed. This excludes those who started business out of family tradition (and other reasons) since it is unclear whether it is due to a push or pull factor. It is often assumed that necessity-driven businesses will be less successful than those started to pursue an opportunity. Additionally, it is often considered that entrepreneurs in the informal sector are necessity-driven due to constrained opportunities in the formal economy, especially in developing countries (Williams & Youssef, 2014).
OPPORTUNITY-DRIVEN ENTREPRENEURS

Opportunity-driven entrepreneurs are individuals that voluntarily chose to start a business because they were able to identify a good business opportunity and act on it. Some underlying motivation to seek opportunities may include the desire to be independent, access to funding to pursue an identified business opportunity or to develop a specific career profile (Calderon, et al., 2016).

TOTAL EARLY-STAGE ENTREPRENEURIAL ACTIVITY RATE

Total early-stage entrepreneurial activity (TEA) rate according to GEM, is the proportion of the population aged 18-64, actively involved in a business start-up or new business venture (up 42 months since the start of the business) in an owner-manager capacity (Bosma & Kelley, 2018).
1. Introduction and Background

1.1 Project Background

The Small Enterprise Development Agency (Seda) in partnership with the Department of Small Business Development (DSBD) have appointed Urban-Econ Development Economists (Pty) Ltd to undertake an in-depth analysis of the state, performance, needs, challenges and opportunities of women- and youth-owned small businesses in South Africa.

In recent years, there has been an increase in the acknowledgement of the important role that small businesses play in the growth of developing economies/countries, such as South Africa, and their capacity for employment creation, social development, innovation and economic growth (DSBD, 2017b). Many small businesses are unable to achieve their business goals by themselves. They need support and resources from both internal and external stakeholders. A series of specific and suitable legislations have been introduced to support the stability and growth of these businesses and to address some of the specific difficulties they face. This intervention is essential as research indicates that the rate of failure of small businesses is specifically high within the first years of inception.

While much research has been done on small businesses in South Africa, there are still many knowledge gaps relating to their performance, needs, challenges and opportunities, particularly those owned by women and youth (DSBD, 2017b). Furthermore, there is currently no consistent, large-scale and regular tracking, neither a comprehensive database of small businesses in South Africa; and therefore, no sound and reliable data on the status and performance of small businesses is readily available (UNDP & DBSA, 2016). This makes it difficult to make meaningful interpretations of whether the policy directives and support interventions being implemented by the government are appropriate and making any significant impact on small business development in the country. These knowledge gaps have obvious implications for the policy direction, the support programmes and interventions being offered by the government.

Both women- and youth-owned small businesses have their fair share of challenges and constraints that need to be addressed and specific needs that have to be identified to help them perform on par, if not better, than their male and senior/elderly counterparts (DSBD, 2017b; IOA, 2018). Therefore, it is against this background that Seda and DSBD seek to gain empirical information that can support and inform policy and programme development in support of these specific small businesses.

1.2 Purpose and Project Scope

The purpose of the assignment is to undertake an in-depth analysis of the state, performance, needs, challenges and opportunities of small businesses owned by women and youth in South Africa.

The scope of work for this intervention includes the following:

i. To uncover the current status, trends and performance of small businesses owned by women and youth, covering the period from 2015 to 2018;

ii. To identify unique and specific challenges and needs of small businesses owned by women and youth;

iii. To analyse the opportunities available for small businesses owned by women and youth; and
iv. To provide recommendations to inform policy imperatives and programme development for small businesses owned by women and youth.

1.3 Methodology

A mixed method research design was used for this study. This means that both qualitative and quantitative research approaches were followed with regards to data collection techniques, analysis and inference techniques. Mixed method research designs are followed to ensure a broader and deeper understanding, and to validate, or corroborate findings (Johnson, et al., 2007).

The methodology deployed for this study is set out in the figure below, with the actions and deliverable for each of the steps discussed thereunder. The study followed a sequential implementation of the steps, meaning that each step followed upon the completion of the previous step.

**Figure 1-1: Study Methodology**

**Step 1: Inception**

The goals, objectives, scope and execution plan for this study was discussed and finalised during this step. The following meetings were held:

- **Introductory/pre contract kick-start meeting: 26 February 2019**
  
  An introductory meeting/pre-contract kick-start meeting was held to introduce the Seda, Department of Small Business Development (DSBD) and Urban-Econ teams. The process in finalising the Service Level Agreement was explained. It was concluded that upon finalisation of the contractual matters, an official inception meeting would take place.

- **Initial inception meeting: 2 April 2019**

During the initial inception meeting, the structure of the inception report was agreed, and the progress in terms of contractual matters were communicated.

- **Final Inception meeting: 17 April 2019**
  
The inception report was presented during the final inception meeting. Comments and inputs were received.

The outcomes of the above meetings as well as the agreed approach to the study has been captured in the Inception Report, along with an agreed project execution plan.

**Step 2: Literature Review**

The literature review was undertaken to gain a greater understanding of the context of the study and the primary data collection that would follow. This comprised of the following aspects:

- Defining Small Business, entrepreneurship and factors that influence small business development
- The Small Business sector in the global context (economic contribution, the ease of doing business)
- Women and Youth-owned SMMEs in the global context (challenges and responses for promotion)
- The Small Business sector in the South African context (size, economic contribution and employment)
- Aspects influencing SMME performance in South Africa (business environment, entrepreneurial activity and challenges)
- The South African Policy Environment for SMME development
- The status of women and youth-owned SMMEs in South Africa
- The challenges and opportunities for women and youth-owned SMMEs in South Africa

The findings from the literature review assisted in shaping and informing aspects to be probed during the primary data collection phase of this study.

**Step 3: Strategic Policy Direction Workshop**

This step entailed the facilitation of a workshop with key stakeholders to gain empirical information to support and inform policy and programme development in support of women- and youth-owned SMMEs in South Africa. In particular, the stakeholders assisted in identifying challenges and gaps experienced by stakeholders in government (and its agencies) and industry associations in supporting women and youth-owned SMMEs. The stakeholders further assisted in identifying potential development opportunities. Key future strategic policy direction and potential support programme adjustments were also identified.

The workshop was hosted on 22 July 2019 at the Seda head office in Pretoria. A total of 20 stakeholders were present. The following organisations were represented at the workshop:

- Gender Research Alliance
- National Association for Co-operative Financial Institutions of South Africa (NACFISA)
- Gordon Institute of Business Science (University of Pretoria)
- Technology Innovation Agency (TIA)
- Seda
- DSBD

**Step 4 & 5: Primary Research Preparation & Data Collection**
The primary research preparation and primary data collection steps were undertaken in two phases, in a sequential manner. The first phase entailed the preparation and execution of 18 focus group discussions, while the second phase entailed the administering of a telephonic interview to 556 individuals.

**Phase one: Focus Group Discussions (FGD)**

- **a. FGD Preparation**
  
The *first phase* entailed the development of discussion themes for both women and youth SMME owners, to be discussed at the FGD. These themes were based on the insights gained through the literature review and policy direction workshop. These themes enabled the project team to gain insights directly from the women and youth SMME owners with respect to:

  - The participation and performance of women and youth-owned SMMEs
  - Current challenges and gaps experienced by women and youth-owned SMMEs
  - Proposed solutions on how these challenges can be addressed
  - Potential development opportunities for women and youth-owned SMMEs
  - The applicability and accessibility of SMME policies and support programmes

The discussion themes are attached hereto as Annexure C.

- **b. FGD Sampling**
  
A total of 18 FGD sessions were hosted, which consisted of a dedicated FGD for women SMME owners and a dedicated FGD for youth SMME owners in each of the nine provinces.

Seda’s client database (2015-2018) were analysed to identify the most prominent Seda branches in terms of reach and geographic representation. The nine branches selected to host the FGD sessions are set out below:

**Table 1-1: Seda Branches selected to host FGD sessions**

<table>
<thead>
<tr>
<th>Province</th>
<th>Branch Name</th>
<th>Location (city/town)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Cape</td>
<td>Nelson Mandela Bay</td>
<td>Port Elizabeth</td>
</tr>
<tr>
<td>Free State</td>
<td>Mangaung</td>
<td>Bloemfontein</td>
</tr>
<tr>
<td>Gauteng</td>
<td>Tshwane</td>
<td>Pretoria</td>
</tr>
<tr>
<td>KwaZulu-Natal</td>
<td>uThungulu</td>
<td>Richards Bay</td>
</tr>
<tr>
<td>Limpopo</td>
<td>Mopani</td>
<td>Tzaneen</td>
</tr>
<tr>
<td>Mpumalanga</td>
<td>Gert Sibande</td>
<td>Secunda</td>
</tr>
<tr>
<td>North West</td>
<td>Bojanala East</td>
<td>Brits</td>
</tr>
<tr>
<td>Northern Cape</td>
<td>Francis Baard</td>
<td>Kimberley</td>
</tr>
<tr>
<td>Western Cape</td>
<td>Cape Town</td>
<td>Cape Town</td>
</tr>
</tbody>
</table>

It was agreed with the client that the number of participants per FGD session should ideally not exceed 15 persons, to ensure greater engagement and qualitative insights. For this reason, the selection for participants was based on multi-stage stratified probability sampling, supplemented with purposeful sampling. This approach was followed to ensure that the target participants with relevant experience were invited.

- **c. FGD Execution**
  
The FGD sessions were hosted between 3 September 2019 and 12 September 2019. Both FGD were held at each branch on the same day, split into two sessions, consisting of a women SMME owner session in the morning (09:00-12:00) followed by a session with youth SMME owners in the afternoon.
Seda officials assisted in finalising arrangements for these sessions and were also responsible for welcoming participants and introducing the purpose of the FGD.

A breakdown of participants per branch are set out below:

<table>
<thead>
<tr>
<th>Branch Name</th>
<th>Number of women participants</th>
<th>Number of youth participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nelson Mandela Bay</td>
<td>20</td>
<td>9</td>
</tr>
<tr>
<td>Mangaung</td>
<td>18</td>
<td>15</td>
</tr>
<tr>
<td>Tshwane</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>uThungulu</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Mopani</td>
<td>18</td>
<td>13</td>
</tr>
<tr>
<td>Gert Sibande</td>
<td>14</td>
<td>10</td>
</tr>
<tr>
<td>Bojanala East</td>
<td>15</td>
<td>10</td>
</tr>
<tr>
<td>Francis Baard</td>
<td>19</td>
<td>15</td>
</tr>
<tr>
<td>Cape Town</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>130</strong></td>
<td><strong>96</strong></td>
</tr>
</tbody>
</table>

Phase two: Telephonic interviews

The rationale for the telephonic survey was to verify and where possible, quantify the results and opinions gained through the FGD sessions and the strategic policy workshop.

a. **Telephonic Survey Preparation**

A comprehensive survey was developed, based on the themes and responses from the FGD sessions. The questionnaire was divided into sections, as set out below:

- Business profile
- Ownership profile
- Business start-up
- Compliance and operations
- Performance
- Development opportunities and business support

The survey was developed as an online/electronic survey using SurveyMonkey software and was administered telephonically. The survey is attached hereto as Annexure D.

b. **Telephonic Survey Sampling**

Seda’s client database (2015-2018) was used as the population for this study. A total of 33 459 individuals met the criteria of either being a female- and/or youth (35 years of age or younger, male or female) business owner/entrepreneur.

The required sample size for this study with a 95% confidence interval and a 5% margin of error, based on the total population, added up to 385. A multi-stage stratified probability sampling was deployed.

c. **Telephonic Survey Execution**

The telephonic interviews were conducted between 7 October 2019 and 17 October 2019 through Urban-Econ’s dedicated call centre. The table below provides a breakdown of the successful interviews conducted:
### Table 1-3: Total number of respondents

<table>
<thead>
<tr>
<th></th>
<th>Women Business Owners</th>
<th>Youth Business Owners</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active businesses</td>
<td>205</td>
<td>210</td>
<td>415</td>
</tr>
<tr>
<td>Failed businesses</td>
<td>16</td>
<td>22</td>
<td>38</td>
</tr>
<tr>
<td>Businesses at the idea stage</td>
<td>49</td>
<td>54</td>
<td>103</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>270</strong></td>
<td><strong>286</strong></td>
<td><strong>556</strong></td>
</tr>
</tbody>
</table>

### Step 6: Data Analysis

During this step, the data captured during the policy workshop, focus group discussion and a telephonic survey was categorised, analysed and interpreted. These results were structured according to the following aspects:

- Status and performance of women and youth-owned SMMEs
- Unique and specific challenges experienced by women and youth-owned SMMEs
- Opportunities for women and youth-owned SMMEs

### Step 7: Recommendations and Project Closure

Based on the body of knowledge gained from the literature review, primary data gathering (strategic policy direction workshop, focus group discussion sessions and telephonic interviews), an integrated report was compiled in addressing the objectives of the study. This cumulated in:

- Key findings regarding the trends and challenges faced by women and youth-owned SMMEs
- Identification of opportunities for women and youth-owned SMMEs
- Recommendations on how to inform the policy imperatives for development of women and youth-owned businesses, as well as how support programmes for these enterprises can be streamlined and improved towards the creation of successful and sustainable youth and women-owned SMMEs

### 1.4 Study Limitations

The terms of reference set out for this study, provided the parameters of the research. This, along with some challenges experienced, culminated in the study limitations. These were:

- This study focussed on SMMEs owned by women and youth, respectively. Although people with disabilities are also considered as a vulnerable group, and seemingly left out of this study, it was done so with intent. The intricacies associated with people with disabilities warrants a separate study with focussed resources.
- The study was limited to empirical research and anecdotal accounts of women and youth business owners and their experiences. This study was not a monitoring and evaluation of programmes initiated by Seda, the DSBD or any other department, nor was it an impact assessment of implemented programmes.
- Despite being invited by Seda to take part in this study, limited responses were received from role-players and stakeholders from the business support eco-system.
- The population for this study was limited to the Seda client database (2015-2018). This was due to the following reasons
  - The lack of readily available, credible information on SMMEs in South Africa
  - The limited available datasets do not disaggregate SMMEs according to gender, age or sector
  - Requests made to access additional datasets were met with legal concerns (POPI Act)
2. Literature Review

The literature review is centred around the existing knowledge regarding the challenges and opportunities for women and youth entrepreneurs both at an international and national level. The reviewed literature can be categorised into three main streams. The first literature stream provides an overview of the importance of the small business sector in the global economy. The second stream considers the motivational factors, business characteristics and challenges for both female and youth entrepreneurs worldwide. The third stream explores the female and youth entrepreneurs along with their challenges and opportunities in the context of South Africa.

2.1 Defining Small Business

This sub-section provides a broad overview of small business definitions used across the globe with the objective of understanding how a small business is defined and categorised. It then highlights the internal (aspects within the control or capabilities of the entrepreneur/management team) and external (outside influences that either support or hinder business growth) factors affecting small business development.

2.1.1 Definition and Classification

It should be noted that a standard, internationally accepted definition of micro, small and medium-sized enterprise (MSME), small, medium and micro-sized enterprise (SMME) or small and medium-sized enterprise (SME) does not exist. According to the Organisation for Economic Co-operation and Development or OECD (2017), SMEs/MSMEs/SMMEs are defined differently in the legislation across countries, in particular, because the dimension “small” and “medium” of a firm are relative to the size of the domestic economy. For statistical purposes and at the international level, the OECD (2016, 2017) refers to SMMEs as the firms employing up to 249 persons, with the following breakdown: micro (1 to 9), small (10 to 49) and medium (50-249); and with an annual turnover not exceeding €50 million. In other words, the SMME sector is categorised into micro, small and medium enterprises, the former being the smallest among the three categories. This provides for the best comparability given the varying data collection practices across countries, noting that some countries use different conventions. Furthermore, SMMEs are normally privately-owned corporations, partnerships, or sole proprietorships (Chuol, 2010).

For the purpose of this study, the revised definition for SMMEs in South Africa, as contained in the amended Schedule 1 in terms of the National Small Enterprise Act, 1996 (Act 102 of 1996), read with the National Enterprise Amendment Act, 2003 (Act 26 of 2003) and the National Small Enterprises Act (Act 29 of 2004)

“Small enterprise” means a separate and distinct business entity, together with its branches or subsidiaries, if any, including cooperative enterprises, managed by one of more predominantly carried on in any sector of subsector or the economy... and classified as a [very small] micro, a small or a medium enterprise...”

The size classification of small enterprises is defined using two proxies, i.e. total full-time equivalent (FTE) of paid employees, and total annual turnover. The proxies used to define the size, depend on the sector or sub-sector the

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2 Definition found in the National Small Enterprise Act, 1996 (Act 102 of 1996), read with the National Enterprise Amendment Act, 2003 (Act 26 of 2003) and the National Small Enterprises Act (Act 29 of 2004)
enterprise falls within. For classification of SMMEs according to the sector, labour size and business turnover, see Annexure A.

The overall range for classification for small enterprises is illustrated below:

2.1.2 Entrepreneurship as a Proxy for SMME Development

Both entrepreneurship development and SMMEs have been acknowledged globally as *instruments for achieving economic growth and development, as well as employment creation*. Although SMMEs and entrepreneurship tend to achieve the same goal, the concepts differ considerably:

**SMMEs** are firms being managed by individuals or owner-managers.  
**Entrepreneurship** is a process to establishing SMMEs or business ventures.  

(Lucky and Olusegun, 2012)

Accordingly, entrepreneurship is all about learning the skills needed to assume the risk of establishing a business and developing the winning strategies and executing them with all vigour, persistence and passion needed (Rebecca & Benjamin, 2009). There is a great need for entrepreneurs or firm owners to learn new skills that would aid their firm’s performance. Successful entrepreneurship requires that the entrepreneur possess certain managerial skills such as:

- the ability to learn new techniques in handling business operation,
- the ability to adapt to change
- the ability to handle changes in the environment
Neceesity- and opporTunity-driven Entrepreneural activity

Reviewing the entrepreneurship literature on SMMEs at a global level, various conceptual frameworks have been developed to explain the factors that drive the decision to start up a business venture. A stream of thought has followed (Bogenhold, 1987), who distinguished between entrepreneurs driven by economic need and those motivated by a desire for self-realisation. Adopting this, many researchers (Harding, et al., 2006; Aidis, et al., 2006; Williams, 2008) have differentiated between entrepreneurs according to whether they are necessity-driven, or opportunity-driven:

**Opportunity-driven:**
*Pulled into the endeavour out of choice to exploit some business opportunity*

**Necessity-driven:**
*Pushed into entrepreneurship because all other options for work are absent or unsatisfactory*

New ventures founded by opportunity entrepreneurs can be expected to have much stronger positive long-run effects on the economy in terms of employment, innovation and growth than start-ups initiated by necessity entrepreneurs.

The widely held assumption that entrepreneurs operating in the informal economic sector in developing countries are largely necessity-driven entrepreneurs, pushed into this entrepreneurial endeavour as a survival strategy in the absence of alternatives. According to numerous authors, necessity-driven entrepreneurship is more common in developing countries than in developed countries, (Williams, 2014; Sahasranamam & Sud, 2016; Dickerson, 2011; Williams, et al., 2017). Utilising GEM data (Figure 2-1), for example, necessity is the most important motivation for entrepreneurs in developing countries such as Angola, Egypt, India and Guatemala. Among low-income countries, an average of 35% of entrepreneurs reported they started their businesses because they had no better option for work (Bosma & Kelley, 2018).
It is worth noting that earlier studies tend to portray those entrepreneurs within the informal economy as driven by necessity, and in many cases, survivalist (Castells & Portes, 1989). Although this may be the case in most circumstances, some recent studies have discovered the contrary.

**Survivalist Enterprises**

Many necessity-driven entrepreneurs are classified as *survivalist enterprises*. This means that the income generated is less than the poverty line. These usually include hawkers, vendors and subsistence farmers.

These enterprises are usually categorised as *micro-enterprises*, and typically operates within the informal economy (UNDP & DBSA, 2016)

In the *United Kingdom*, it seems that some entrepreneurs choose to participate in the informal economy due to the autonomy, flexibility and freedom that the informal economy presents (Gërxhani, 2004; Ojo, 2018). A study in *Latin America, Mexico City* also found that many street vendors were entrepreneurial out of choice (Cross, 1998) and another study in the *Democratic Republic of Congo, Ghana and Kenya* also found that a large proportion of informal sector entrepreneurs are opportunity driven (Beyer & Morgan, 2018). Examining entrepreneurs who had started their ventures in European countries of *Ukraine, Russia and England*, (Williams, 2008) observed the
presence of both necessity and opportunity motivations. Those who were initially necessity driven, in many instances became opportunity driven as their ventures became established. It hence appears that informal entrepreneurs operate along a continuum of necessity-based and opportunity-driven entrepreneurship depending on socio-spatial variations (Gibbs, et al., 2014).

2.1.3 Factors Affecting SMME Development

There are certain factors that can influence a business. These factors include both the internal (aspects within the control of the business and related to the management of the business and the capabilities of the management team) and external (outside influences that either support or hinder business growth) influences. The following part discusses these factors which have an impact on the performance/effectiveness of businesses.

**INTERNAL FACTORS**

The growth of an SMME in many respects is determined by a number of factors within the control of the owners/entrepreneurs. In short, this refers to the skills, competencies and drive of the individual, and his/her ability to negotiate and establish access to resources required to grow the business. Literature highlights the following key internal success factors for small business in this regard:

**Personal Characteristics**

Many studies link the level of education (both formal and informal education), experience and capabilities to the growth of a small business. The inherent motivation and energy of an individual has also been identified as a factor for business growth (Debarliev & Janeska-Iliev, 2015; Hove & Tarisai, 2013).

**Human Resource Management**

A major factor for business development lies in the ability to draw others to help with the management of the business and to manage employees and key stakeholder relationships (customers, suppliers, investors etc.) (Debarliev & Janeska-Iliev, 2015; Hove & Tarisai, 2013; Noreen & Junaid, 2015).

**Financial Management**

Financial management is regarded as one of the most important aspects of a business. In order for a small business to grow, business finances must be detached from personal accounts and a formal financial system should be in place (Hove & Tarisai, 2013).
Access to capital

Many sources list access to capital and assets as one of the greatest challenges faced by small businesses. Access to capital is required to obtain and maintain facilities, appointing relevant staff, undertake marketing, ensure production and many other aspects related to running a business. The individuals’ ability to secure finance is key in the growth of the business (Debarliev & Janeska-Iliev, 2015; Hove & Tarisai, 2013; Noreen & Junaid, 2015).

Strategy

The strategy deployed by the small business affects its ability to grow. Literature suggests that many small businesses may not recognise that the day-to-day decisions they are making, is in actual fact the strategy they are deploying. Those businesses that show growth, usually have a well-thought out strategy with regards to operational aspects, and also has a vision, mission and long term goals for the business (Debarliev & Janeska-Iliev, 2015; Hove & Tarisai, 2013).

Marketing

Marketing links the product or service offered with the potential client or customer. For a small business to grow, it needs to understand what market it should be targeting, and which products or services are in demand (Hove & Tarisai, 2013).

Access to required Technology

Technology and technological innovation have changed the way in which business is conducted. The presence of technology will only become more prominent in future. The business ability to access required information technology for both day-to-day functioning and production purposes has a great influence on its ability to grow (Debarliev & Janeska-Iliev, 2015; Hove & Tarisai, 2013; Noreen & Junaid, 2015).

Operations

In order for growth to be achieved, formal operations are required to ensure the maximum level of outputs are achieved in the most cost-effective ways. Undertaking tasks and operations in a haphazard and ad-hoc basis can be the downfall of a small business (Hove & Tarisai, 2013).

Business Plan

A business plan is considered to be a living document that informs the planning of the business. It is a powerful tool, not only to attract outside investment and for accessing funding but also to monitor business performance (Hove & Tarisai, 2013).
**External Factors**

External factors are those aspects that can affect small business growth, that the business owner may have little or no control over. The term *ease of doing business* (EODB) is often used by the World Bank as a measure to determine whether the environment is limiting or enabling business development. The International Labour Organization (ILO, 2017) further explains that an enabling environment is especially critical to SMMEs, as they tend to be less flexible and resilient towards a poor business environment.

The literature identifies the following external factors as influencing business growth and development (Mazzarol, et al., 1999; Thornton, et al., 2011):

**Social Factors**

Social factors can influence business growth in that social aspects can determine or dictate consumer behaviour and needs. This relates to aspects such as lifestyle, culture, age, gender, preference and changes in the social structure. Understanding social factors are important for a business to ensure its strategies are aligned accordingly to the market.

**Legal Factors**

These factors are related to changes in government, laws and regulations. For a successful business operation, it is important that the businesses consider the legal issues involved in a particular situation and should have the capability to anticipate ways in which changes in laws will affect the way they must behave.

**Political Factors**

These factors are related to changes in government, government policies and functioning. These could include tariffs, trade policies, bureaucratic processes, corruption etc. These factors could have an influence on the national economy, implementation and changes in regulations, political stability and social behaviour. For a business, this could translate in lack of investment confidence, strained relationships between consumers and suppliers and impact on government spending.

**Technological**

These factors greatly influence business strategies as they provide opportunities for businesses to adopt new innovations and inventions. With the advent of modern communication technologies, technological factors have gained great impetus in the business arena. Business growth depends on the ability to adapt to and capitalise on new technological advancements or risk becoming irrelevant or outdated.

**Economic**

These factors involve changes in both the local and global economy. Economic factors that influence business growth include interest rates, exchange rates, inflation rates, rate of taxes and overall supply and demand. Under unfavourable economic conditions, these factors influence business decisions and test business resilience, while
during favourable conditions it may see a rise in living standards and the increase in demand, providing greater opportunities for businesses to grow.

The above already gives a framework for some of the aspects SMMEs may experience in the business environment. Therefore, the internal and external factors play a crucial role in the growth of businesses. The following sub-section presents an overview of the profile of SMMEs in the global context.

2.2 The Global Small Business Sector

This sub-section highlights the role of SMMEs in economic development and employment creation worldwide. This is followed by a discussion on world economies’ business environment. Thereafter, the contribution of both women- and youth-owned SMMEs in the global economy is discussed, including the challenges faced by them.

2.2.1 Contribution of SMMEs to the Global Economy

SMMEs can be described as the engine of growth and development of any economy, generating jobs and income, stimulating competition, sources of innovation and creating possibilities for business ventures.

Despite the lack of a standard global definition for SMMEs and the associated challenges in comparing SMMEs contribution to the local economies around the world, a lot of research has been done in this regard. Research into the roles of SMMEs in driving GDP growth and creating employment have indicated that SMMEs are critical in sustaining the economic health of both developing and developed countries (Edinburgh Group, 2013).

A 2018 study by the Organisation for Economic Co-operation and Development (OECD)³, indicate that for OECD countries, SMMEs are the dominant form of enterprise, with the majority of enterprises (between 70% and 95%) classified as micro-enterprises (employing 10 or less people) (OECD, 2018). When comparing this with countries within the European Union (EU), approximately 92% of enterprises in 2012 were classified as micro-enterprises (employing 10 or less people), with only 0.2% of enterprises classified as large. SMMEs contributed to 67% of all private sector employment in the EU and accounted for approximately 58% of Gross Value Added for all enterprises (Edinburgh Group, 2013).

The figures below, compiled from OECD data, clearly illustrate the significant contribution of SMMEs in terms of the share of enterprises and the share of employment according to enterprise size for the OECD countries:

³ The OECD is a united front of 32 countries to share about their common eco-social problems and collaborate on finding solutions. Member countries: Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Luxemburg Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovakia, South Korea, Spain, Sweden, Switzerland, Turkey, UK, and USA.
In emerging and developing economies, formal SMMEs contribute up to 45% of total employment and up to 33% of GDP (OECD, 2017). However, when taking the contribution of informal SMMEs into account, SMMEs contribute to more than half of employment. The World Bank reports that 600 million new jobs will be needed in the next 15 years to absorb the growing global workforce, mainly in Asia and Sub-Saharan Africa, and SMMEs will play a critical role in this regard (Perez-Uribe, et al., 2018).
Entrepreneurial Activity Worldwide

Increasingly, the role of entrepreneurship in enhancing regional growth is gaining attention globally. However, when comparing entrepreneurial activity across regions or countries, it is important to realise that not all SMMEs can be regarded as being entrepreneurial/innovators or productive (Bosma & Schutjens, 2007).

The Global Entrepreneurship Monitor (GEM) attempts to express entrepreneurial activity through ‘Total early-stage entrepreneurial activity rate’ or ‘TEA rate’. This rate is the proportion of the population aged 18-64, actively involved in an owner-manager capacity in a business start-up or new business venture (not older than 42 months) (Bosma & Kelley, 2018). Although this is a useful tool for measuring entrepreneurship quantity, it does not measure entrepreneurship quality, and primarily captures ‘self-employment rate’ (Acs, et al., 2017).

Based on the recently published GEM 2018/2019 Global Report, the lowest overall TEA rates across the 49 countries surveyed are found among countries in Europe and North America region, which consists of mostly high-income countries (HICs). Most of the European countries show TEA rates of less than 10% (Bosma & Kelley, 2018), while North American countries (the United States and Canada) exhibit rates around 15% of the TEA level. Richer countries tend toward lower entrepreneurship rates due to the presence of alternative job options and higher levels of competitiveness that can make starting a business less attractive (Rusu & Roman, 2017).

For the rest of the world, the same trend is revealed, where HICs in particular regions show lower TEA rates and lower income countries show higher TEA rates. In the Latin America and the Caribbean region, for example, Argentina, Uruguay and Brazil tend to show the lowest rates (between 10% and 20%) while high TEA rates reported in Guatemala (28%) and Chile (25%). Similarly, in the East and South Asia region, the two HICs (Japan and Taiwan) report the lowest rates, while Thailand shows the highest level in this group. In the Middle East and Africa region, it found that low-income Sub-Saharan African countries, in particular, by far have the highest number of people involved in TEA, with Angola leading the world rankings at 41% (Bosma & Kelley, 2018).

The higher rate of entrepreneurial activity in developing economies can be credited to the existence of a prominent informal economy. Informal entrepreneurs in these countries have greater ease and incentive to incorporate their enterprises into the economic functioning of the developing country than those in developed countries (Castells & Portes, 1989; Slavnic, 2010; Taiwo, 2013; Ademola, et al., 2015; Williams & Shahid, 2016).
2.2.2 Ease of doing Business: A Global Perspective

As established earlier, a number of external factors ultimately contribute towards the creation of an enabling or limiting business development environment. One measure often used to gauge the external environment is the *Ease of Doing Business (EODB)* index for a particular country.

**The Ease of Doing Business (EODB)**

The World Bank has developed the EODB index to compare the ease of doing business across different economies. The EODB is an aggregate figure, which takes various parameters and external factors into account which has a direct influence on doing business. These factors include:

- Trading regulations
- Business incorporation/registration
- Obtaining zoning or building rights
- Property transfers
- Access to credit
- Contract enforcement
- Paying taxes
- Engaging in international trade
- etc.

(World Bank, 2019a)

When considering the latest Doing Business Report (World Bank, 2019a), it is evident that the top ranked countries are all considered to be developed countries, while the lowest ranked countries are all developing countries, with African and Middle Eastern countries dominating the lowest ranked positions. The highest ranked Sub-Saharan economy is Mauritius in 20th place (see the table below).

In comparison to the European Union region, Sub-Saharan African conditions that ranked particularly poorly are linked government policies (especially regarding taxes and bureaucracy) and the quality of government entrepreneurship programmes. Other than the governance-related conditions, other conditions are internal market burdens; access to physical infrastructure; and cultural and social norms. Despite this, some regional countries are performing well in other areas of the EODB index. For example, Rwanda is ranked among the best globally in registering property (with a rank of 2, just after New Zealand) and getting credit (3). Burundi is one of the world’s better performers in the area of starting a business, ranked at 17 (World Bank, 2019a).

The countries that rank highest in the EODB are those that are high-income and have consistently well-designed business regulation or whose regulatory environments have thrived. This exemplifies a business-friendly environment for SMME development. Those that have a lower EODB ranking mainly have a poor legal structure and lack of infrastructure, limiting environment for business development.
<table>
<thead>
<tr>
<th>Rank</th>
<th>Economy</th>
<th>EODB score</th>
<th>EODB score change</th>
<th>Rank</th>
<th>Economy</th>
<th>EODB score</th>
<th>EODB score change</th>
<th>Rank</th>
<th>Economy</th>
<th>EODB score</th>
<th>EODB score change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>New Zealand</td>
<td>86.59</td>
<td>0.00</td>
<td>65</td>
<td>Colombia</td>
<td>59.24</td>
<td>+0.20</td>
<td>129</td>
<td>Barbados</td>
<td>56.78</td>
<td>0.00</td>
</tr>
<tr>
<td>2</td>
<td>Singapore</td>
<td>55.24</td>
<td>+0.27</td>
<td>66</td>
<td>Luxembourg</td>
<td>59.01</td>
<td>0.00</td>
<td>130</td>
<td>St. Vincent and Grenadines</td>
<td>56.35</td>
<td>+0.01</td>
</tr>
<tr>
<td>3</td>
<td>Denmark</td>
<td>54.64</td>
<td>+0.59</td>
<td>67</td>
<td>Costa Rica</td>
<td>58.89</td>
<td>-0.47</td>
<td>131</td>
<td>Cabo Verde</td>
<td>55.95</td>
<td>+0.02</td>
</tr>
<tr>
<td>4</td>
<td>Hong Kong SAR</td>
<td>54.22</td>
<td>+0.04</td>
<td>68</td>
<td>Peru</td>
<td>58.83</td>
<td>+0.56</td>
<td>132</td>
<td>Nicaragua</td>
<td>55.64</td>
<td>+0.37</td>
</tr>
<tr>
<td>5</td>
<td>Korea, Rep.</td>
<td>54.14</td>
<td>-0.01</td>
<td>69</td>
<td>Vietnam</td>
<td>58.36</td>
<td>+1.59</td>
<td>133</td>
<td>Palau</td>
<td>55.59</td>
<td>+0.01</td>
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<td>+2.57</td>
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<td>+1.08</td>
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<td>76.04</td>
<td>+0.01</td>
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<td>Bangladesh</td>
<td>48.64</td>
<td>+0.71</td>
<td>150</td>
<td>Marshall Islands</td>
<td>51.62</td>
<td>+0.01</td>
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<tr>
<td>23</td>
<td>Belgium</td>
<td>75.77</td>
<td>+0.01</td>
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<td>Bosnia and Herzegovina</td>
<td>53.82</td>
<td>+0.27</td>
<td>151</td>
<td>Burkina Faso</td>
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<td>Greece</td>
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<td>+0.71</td>
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<td>Benin</td>
<td>51.42</td>
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</table>
2.2.3 Contribution of Women- and Youth-Owned SMMES to the Global Economy

The following part provides empirical discussion about the contribution of SMMEs owned by women and youth in the economy worldwide as well as their status.

2.2.3.1 Entrepreneurial Activity among Women and Youth

Entrepreneurial Activity among Women

Based on extensive review, Link & Phillips (2017) state that women are less likely than men to pursue various forms of entrepreneurial activity, and less likely than men to (a) start a business, (b) be running a business, (c) be owner-managers of established firms, (d) be self-employed, and (e) engaged in academic entrepreneurship. Entrepreneurial activity rates differ extensively across both gender and country. Studies utilising GEM data reports that female participation in entrepreneurship varies from 5% in the European Union to 25% in Africa (Sahasranamam & Sud, 2016). Existing research furthermore suggest that the inclination of women toward entrepreneurship is low compared to men (Sanchez & Garcia, 2010; Nguyen, 2018). At the same time, men are more likely to succeed when they start a new business (Robb & Fairlie, 2009; Shava & Rungani, 2016).

While the Europe and North America region reports the lowest average female involvement in early-stage entrepreneurial activity, the best performing regions for female entrepreneurship are (1) Middle East and Africa, particularly countries of Israel, Qatar, Madagascar and Angola; (2) East and South Asia, Indonesia and Thailand; and (3) Latin America and the Caribbean, Panama (Bosma & Kelley, 2018; Dilli & Westerhuis, 2018). Despite this, there are substantial differences across countries in the proportion of women running an established business. For example, according to the (European Commission & OECD, 2013), they range from less than 2% in France to some 5% in Finland and 8% in Greece.

Women entrepreneurs’ motivations to engage in entrepreneurial activities are complex, dynamic and intertwined with wider social norms. Literature investigating the effect of gender on the form of entrepreneurship offers mixed results. Some scholars have identified several attributes closely associated with necessity entrepreneurship that are particularly common among female entrepreneurs. Women entrepreneurs’ motivations to engage in entrepreneurial activities are complex, dynamic and intertwined with wider social norms. These are insufficient family income, dissatisfaction with the salary offered for employment, difficulty finding a job and lack of flexibility in their schedule to accommodate household responsibilities (Orhan & Scott, 2001; Cirera & Qasim, 2014). Hence, various authors (Williams & Gurtoo, 2012; Calderon, et al., 2016) concurred that indeed women were more likely than men to be necessity-motivated especially in developing countries; and confirmed that SMMEs led by opportunity entrepreneurs were significantly more profitable and better managed than those led by necessity ones. Poschke (2013) points out that female entrepreneurs in OECD countries are actually less likely to be necessity entrepreneurs. Beegam (2006) adds that women in these countries choose to become entrepreneurs because they perceive better opportunities like growth, independence and work satisfaction in an entrepreneurial venture. For example, Welsh, et al (2014) in their study in Japan report that women start a new business as a way
of re-employment, not only because of the desire to earn more money or to manage their own business but rather for the chance to run a business based on their own interests or to meet their individual goals in life.

Entrepreneurial activity among youth

Often, youth age groups are defined differently by different countries or agencies and in a different context. For international statistics, GEM defines youth as people between 18 and 34 years of age, further distinguished between the young youth (18-24 years) and the older youth (25-34 years). Different segments of youth, therefore, would require different types of support to address their needs.

The GEM 2018/2019 Global Report estimates that nearly half of the world’s entrepreneurs are between the ages of 25-34 or 35-44 (Bosma & Kelley, 2018). At a regional level, North America has the highest level of early-stage youth entrepreneurs (aged 25-34), at 23.4%, followed by Latin America and the Caribbean at 16.5%, while Europe has the lowest of all regions (Global Entrepreneurship Research Association, 2017). It is worth noting, however, that young youth are a small segment of the total universe of entrepreneurs (Listerri, et al., 2006). This implies that not enough is being done to instil entrepreneurship among youth. This in itself could spell a problem for especially developing economies, as trends show that job security will become more uncertain with the prospects of automation and the fourth industrial revolution resulting in many established large enterprises downsizing – resulting in the role of small enterprises to provide employment crucial.

On the other hand, high rates of youth early entrepreneurial activity are in many cases accompanied by lower established business levels. In general, young people are much more likely to be new business owners than either seniors or adults, while they are much less likely to be established business owners than seniors or adults. For example, the European Commission & OECD (2013) indicates that the established business ownership rate for youth is much lower than the rate for seniors or adults in all European Union member states.

Youth entrepreneurs’ motivations to engage in entrepreneurial activities are driven mainly by push factors (such as the inability to find a job, or the need to derive an income), particularly in developing countries. It is important to note that motivating factors for youth entrepreneurs appear to be more or less the same compared to women entrepreneurs and among youth entrepreneurs. In Latin American countries, 13% of the working population between the ages of 16 and 24 are young entrepreneurs by necessity (Listerri, et al., 2006). In Mexico, youth entrepreneurs appear to be motivated by economic necessity such as lack of employment (Ramirez-Perez & Smith, 2015).

Interestingly in the Sub-Saharan Africa context, there is no significant effect of age on necessity entrepreneurship. In Uganda, with regard to young entrepreneurs’ motives for engaging in business activities, slightly more reported being driven by necessity (51%) than by opportunity (47.1%) (Gough & Langevang, 2016).

Performance and Characteristics of Women- and Youth-Led SMMEs Worldwide

There is a wide range of researchers who state that organisational performance is gendered, being that businesses owned by women are less successful than those owned by men (Aldas-Manzano, et al., 2012). There are also studies that confirm youth-owned businesses are less productive as compared to their senior
counterparts. In particular, those studies that affirm performance is gendered focus mainly on financial and operational indicators. To explain this differential gender-based and youth performance, a set of possible explanations are addressed, which include the influence of business size in performance and the existence of horizontal segregation.

i) **Performance, size and characteristics**

For those countries where information is available, a systematic trend is present. There are more male entrepreneurs starting businesses with assets valued at more than €30 000 (R 432 484\(^4\)) than their female counterparts (European Union, 2014). Robb & Fairlie (2009) also find **SMMEs owned by women have lower sales, profits and survival rates than those owned by men**. Since SMMEs owned by women are generally smaller in terms of assets and revenues and employ fewer people than those headed by men, the business size would mediate most of the gender differential performance.

Additionally, in some of the developed countries such as Belgium, Portugal, United Kingdom, Latvia and the Netherlands, it has been indicated that **women entrepreneurs on average have been in business for fewer years than men entrepreneurs**. In particular, there are more male entrepreneurs who have operated their businesses for more than 5 years (European Union, 2014). They are also more likely to be own-account workers/self-employed than employers (OECD, 2016).

Existing research indicates **that a high proportion of young entrepreneurs**, particularly in developing countries, are own-account workers/self-employed and not employers. For example, workers in Latin America are more prone to being subsistence entrepreneurs than in OECD countries (16% of own-account workers/self-employed to 6% on average, respectively) (OECD, ECLAC, CAF, 2016). Another study confirms this stating that most young Latin American entrepreneurs (11.9%) can be classified as self-employed by necessity, while the rest (0.9%) are employers (Listerri, et al., 2006). In **Sub-Saharan Africa, it is reported that most youth-owned SMMEs have no employees** (57.3%), while hardly any (1.5%) have more than six employees and none have more than 20 employees. Interestingly, there is also a gender difference within SMMEs owned by youth. **Young women-owned SMMEs are smaller, with more young women than men not employing any other people** (Gough & Langevang, 2016). In rural areas, Nagler and Naudé (2014) report that SMMEs owned by youth have slightly lower labour productivity compared to the older age categories; and most youth-run businesses have no employees while hardly any have more than six employees.

ii) **Horizontal segregation**

Differences in the performance of SMMEs may be influenced by the sectors in which women and men entrepreneurs are active. Men entrepreneurs are more active in high-technology sectors with relatively high profit margins, and a difference in performance may be partly due to sector effects rather than specific gender effects. As noted above, **women entrepreneurs tend to be under-represented in sectors such as construction, transportation and storage, financial and insurance activities, and manufacturing, and over-represented in sectors such as education, accommodation and food service activities**. Based on a study by the (European Union, 2014), the annual growth in turnover was significantly lower in sectors overrepresented by women (-3% and 1.2%). This indicates that differences in performance between women and men entrepreneurs can be partly

\(^4\) Conversion from € to ZAR based on 2014 average exchange rate of €1 = R14.41
explained by the fact that women entrepreneurs are more likely to be active in sectors with somewhat lower performance. A similar case can be said with youth-owned businesses. The vast majority of youth-owned businesses are in consumer-related sectors, particularly in developing countries. So, the concentration of female and youth entrepreneurial activity in these low-growth industries may explain their underperformance compared to male- and adult-owned SMMEs, which are more widespread along with different industries.

2.2.3.3 Distribution of Women- and Youth-Owned SMMEs by Sector Worldwide

Worldwide, women entrepreneurs tend to be clustered in low-paying and gender-stereotyped industries (OECD, 2004); (Roibu & Roibu, 2016). In other words, women-operated businesses are more likely to be concentrated in low technology industries with low barriers to entry and low capital requirements. The GEM Women’s Entrepreneurship 2016/2017 Report confirms that wholesale/retail trade accounts for about 60% of female entrepreneurial activity. According to the (2012), in Latin America and Sub-Saharan Africa, women dominate the consumer sectors and are less likely to be found in the male-dominated primary and secondary sectors such as forestry, fishing, mining, manufacturing and construction, and are also underrepresented in the business services sectors. A similar trend is observed in Europe. The Table and Figure below, for example, show the distribution of female and male entrepreneurs across economic activities in member states of the Association of Southeast Asian Nations (ASEAN) and the European Union, respectively.

Indeed, this existing information shows that women-owned SMMEs globally and regionally tend to be concentrated in overall low-profitability or low-growth sectors. Retail, beauty and education services are among the sectors in which women are concentrated. They are less likely to be seen in sectors which are higher value-added and competitive such as manufacturing or information and communications technology (ICT). According to Kelley et al. (2017), overall, fewer than 2% are starting a business in ICT, little more than one-fourth the proportion of men on average.

Table 2-2: Rate of women entrepreneurs per sector in the selected ASEAN countries

<table>
<thead>
<tr>
<th>Sector</th>
<th>Indonesia</th>
<th>Malaysia</th>
<th>Philippines</th>
<th>Singapore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, forestry, fishing</td>
<td>4.8</td>
<td>2.0</td>
<td>14.5</td>
<td>0.9</td>
</tr>
<tr>
<td>Mining, construction</td>
<td>2.6</td>
<td>2.8</td>
<td>6.1</td>
<td>0.9</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>9.4</td>
<td>10.4</td>
<td>4.6</td>
<td>11.2</td>
</tr>
<tr>
<td>Utilisation, transport, storage</td>
<td>3.5</td>
<td>1.3</td>
<td>2.3</td>
<td>0.0</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>8.1</td>
<td>2.3</td>
<td>13.7</td>
<td>2.8</td>
</tr>
<tr>
<td>Retail trade, hotels &amp; restaurants</td>
<td>60.2</td>
<td>71.3</td>
<td>51.1</td>
<td>67.3</td>
</tr>
<tr>
<td>Information and communication</td>
<td>1.4</td>
<td>0.4</td>
<td>1.5</td>
<td>1.9</td>
</tr>
<tr>
<td>Financial intermediation, real estate activities</td>
<td>2.3</td>
<td>1.0</td>
<td>3.1</td>
<td>2.8</td>
</tr>
<tr>
<td>Professional services</td>
<td>1.7</td>
<td>2.2</td>
<td>1.5</td>
<td>6.5</td>
</tr>
<tr>
<td>Administrative services</td>
<td>3.0</td>
<td>1.4</td>
<td>1.5</td>
<td>1.9</td>
</tr>
<tr>
<td>Government, health, education, social services</td>
<td>2.7</td>
<td>4.9</td>
<td>0.0</td>
<td>3.7</td>
</tr>
<tr>
<td>Personal/consumer service activities</td>
<td>0.2</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

(United Nations, 2018)

Additionally, women entrepreneurs, in developing countries, in particular, make up a higher proportion of informal sector SMMEs. Such enterprises are often in sectors likely to grow in trade/retail, transport, services and agriculture
In Indonesia, for instance, there is a high proportion of women-owned SMMEs—though mainly in areas such as food and beverages, tourism and trade which do not require high skills and expertise.

*Figure 2-4: Rate of women entrepreneurs per sector in Europe*

Research indicates that women entrepreneurs in Africa follow the same trend with regards to the sectors they are represented in. Women-owned businesses in Africa are mainly concentrated in so-called ‘gendered’ or ‘feminised’ sectors such as food and beverage manufacturing/catering, tailoring/sewing, beauty services and arts and crafts manufacturing. These sectors are typically saturated with low return margins. As previously
mentioned, many of these women entrepreneurs are found in the informal economic sector. Additionally, these sectors are typically labour intensive and these businesses make use of very little technology in managing the business and production (Richardson, et al., 2004).

Just like women-owned businesses, **youth-operated businesses are more likely to be concentrated in certain industries with low barriers to entry and low capital requirements.** In turn, very few young entrepreneurs, and especially women, have so far opted for high value-added sectors that would rely on advanced skills, creativity, and use of technology (United Nations, 2013). In Uganda, for example, most young entrepreneurs operate in the consumer-oriented sector (80%), which is dominated by retail and services (Gough & Langevang, 2016). Further, Gough and Langevang (2016) report that women are pre-eminent in this sector with over 87% of young women compared to 72.1% of young men. Conversely, more young men entrepreneurs (16.8%) than young women entrepreneurs (7.6%) are engaged in the transforming sector such as construction, manufacturing and transportation activities. These differences highlight the gendering of SMMEs: trading is constructed as a key female vocation while manufacturing, construction and transportation are typically considered a male.

However, a different trend is observed with youth entrepreneurs in developed countries. For instance, based on studies by OECD (2012) and Aung & Pablos (2015) in the European Union, youth-operated businesses are mainly engaged in construction (18.7 % of youth businesses compared with 13.8 % for adults), information and communication (4.9 % for youth compared with 2.7 % for adults) and other services (7.5 % compared with 4.9 %) and tend to focus on narrow product lines.

The rural non-farm sector has been prioritised for rural development in developing countries since the late 1990s (Davis & Bezemer, 2004). However, with regard to rural-based youth entrepreneurs in African countries such as Ethiopia, Malawi, Niger, Nigeria, Tanzania and Uganda, it is indicated that they are less likely to operate a non-farm enterprise (Nagler & Naude, 2014). This is critical since there is a high degree of risk associated with just the agricultural sector. These include both covariate and idiosyncratic shocks and adverse weather conditions (floods, drought) (Pradhan & Mukhurjee, 2017).

### 2.2.4 Challenges for Women and Youth Entrepreneurs Worldwide

Having noted the status and sectoral-focus of women-and youth-owned SMMEs, the following part discusses challenges faced by them.

#### A) Women entrepreneurs

As noted, there are definite gender differences in entrepreneurial activity. Literature suggests that women may be more disadvantaged than men in starting-up and managing small enterprises. This is reflected in the lower impact and survival rates of female-run SMMEs globally and why their involvement in sectors considered to be less profitable by financiers. Many empirical studies have been conducted to understand the challenges that women entrepreneurs and business owners face. These range from difference in human and social capital between genders, family responsibility differences, the ability to access funding as well as societal gender views and sectoral considerations (Greene, 200; Miniti & Nardone, 2007; McCracken, et al., 2015; Verheul, et al., 2006; Estrin, et al., 2016; Marques, 2017). The degree and severity of challenges faced, and the ability for women to overcome these challenges depend to a great extent on the geographical location and socio-cultural conditions of the specific region (Mayer, 2006).
The cross-cutting, key challenges faced by women entrepreneurs are summarised below:

### Education and Knowledge

Many studies have found that women entrepreneurs are less educated than their male counterparts in developing countries. Reasons for this are related to socio-cultural factors, beliefs and associated lack of opportunities. This results in higher barriers of entry for women compared to men.

Women entrepreneurs in many instances are limited in accessing information due to their personal and social circumstances. This implies that women entrepreneurs sometimes make business decisions without proper market intel, which has a direct influence on business growth and performance.

More recently, the importance of STEM education in promoting entrepreneurial activity has been realised with the technological advances and the associated opportunities. Studies have found that women are less likely to have STEM education, both in developed and developing countries, leading to a disadvantage for women entering high technological sectors.


### Stereotypes, Gender Bias & Inequality

Women entrepreneurs and business owners are subject to gender-role stereotyping and gender bias which result in inequality between women and men owned businesses.

Studies conducted in the 1980s first highlighted gender stereotyping as a challenge for women entrepreneurs, and since then, women entrepreneurs are still challenged by it.

In most cases, the underlying cause for gender stereotyping and bias can be ascribed to cultural and religious beliefs and societal expectations of women. Women are perceived as caregivers, and there is a misconception that women are less hardworking and that they cannot be good leaders.

These views and beliefs lead to discrimination against women entrepreneurs, both subtle/unintentional and blatant discrimination. As a result, many women entrepreneurs have to work harder to assert themselves as worthy business owners compared to their male counterparts.


### Access to funding

Access to funding is cited as a major challenge for women SMME owners globally. Studies have shown that women business owners have a predisposition to own fewer assets than men and are therefore less likely to be able to access funding. Traditionally, funding for SMMEs is based on proven track record, and not on business potential.

Reportedly, women SMME owners are less likely to take out a loan, and when they do, they are more likely to face higher interest rates compared to men – despite many studies revealing that women are better at managing credit than men.

There is no one reason why accessing financing is harder for women-owned SMMEs than for their male counterparts, but it is believed to be a conglomerate of gender and cultural bias and the ‘lower value added’ sectors that women typically operate in.

The lack of access to funding has a direct impact on business growth for women and restricts them in pursuing economic opportunities.


### Support Networks

The lack of formal and more informal support and business networks has been identified as a challenge for women business owners.

Literature shows that many high-impact technological sectors are especially dominated by men, resulting in a lack of connections and individuals that women can relate to or approach in a non-prejudiced manner.

The lack of female advisors and mentors for women entrepreneurs is also a universal issue. In many cases, and especially in developing economies, there are few successful women entrepreneurs that women business owners can relate too.

The lack of emotional support from family members for women business owners has also been identified as a challenge. This is particularly true for less developed and/or less socially progressive countries.

Family and cultural pressures and norms have been identified as a challenge for women entrepreneurs. Many women business owners are having to carry the entire burden of caring for the family (as is the norm for many cultures, especially in developing countries) while having to manage a business as well.

Literature highlight that women entrepreneurs have to juggle between work and family and that many women struggle with the complexity of taking on various roles.

In some cases, this manifests itself in the family or society not taking women entrepreneurs seriously or supporting them, resulting in many women being discouraged to pursue entrepreneurial ambitions and to rather focus on caring for the family.

(Robb & Walken, 2002; Alzahrani, 2014; Cohoon, 2011; Marlow & McAdam, 2015; United Nations, 2018; Kimbu & Ngoasong, 2019; Richardson, et al., 2004; SBP, 2013; Zainuddin, et al., 2017)

B) Youth entrepreneurs

Youth entrepreneurs and youth business owners face many of the same challenges that women entrepreneurs face, however, there are different nuances for youth, and the experiences are different.

The landscape for youth entrepreneurs is mixed. It should be noted that youth from different socio-economic backgrounds would have different business obstacles and require different types of support to address their needs. In developing countries, young entrepreneurs from lower socio-economic backgrounds tend to face higher barriers than those from more advantaged households (OECD, 2016). In general, young entrepreneurs from low- and middle-income households have fewer resources, skills and networks than those from more advantaged households, who tend to have more exposure to business experience at an early stage, both from family and schooling.

The most common challenges faced by youth entrepreneurs are set out below:

<table>
<thead>
<tr>
<th>Experience</th>
<th>Access to Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of business management experience and/or experience in the chosen industry is cited as a major challenge for youth entrepreneurs.</td>
<td>Various studies have identified access to funding to start and/or to expand a business as one of the greatest obstacles facing youth entrepreneurs.</td>
</tr>
<tr>
<td>Lack of experience is a challenge that most young entrepreneurs will face, as their age is a limiting factor in terms of the number of years they have been working and exposed to their chosen industry.</td>
<td>For youth, the greatest reason for struggling to gain access is lack of a financial track record and lack of assets for surety. This, in large part, is due to the fact that youth entrepreneurs are young and have not had the advantage of the time to accumulate assets or to save.</td>
</tr>
<tr>
<td>Lack of experience may lead to a number of mistakes or lead to missed opportunities due to an inability to</td>
<td></td>
</tr>
</tbody>
</table>

(Robb & Walken, 2002; Alzahrani, 2014; Cohoon, 2011; Marlow & McAdam, 2015; United Nations, 2018; Kimbu & Ngoasong, 2019; Richardson, et al., 2004; SBP, 2013; Zainuddin, et al., 2017)
recognise these opportunities, which come with experience.

The hiring of employees, especially for the first time, is very difficult. Finding the right employees with relevant skills and abilities are hard, especially for young entrepreneurs that have not employed anyone before. Generally, individuals with many years of experience will be better geared to recognise the required skills and attitudes.


Financial Constraints

Apart from struggling to access funding, many young entrepreneurs face a number of other financial constraints which may inhibit business growth.

It has been reported that many of those young entrepreneurs/business owners fortunate enough to have obtained a tertiary degree, often have debt in the form of student loans. Other young entrepreneurs, especially those in developing countries, may have an obligation to financially support their (extended) families.

These financial obligations and constraints, along with the income insecurity associated with being a small business owner, may discourage young entrepreneurs from pursuing an opportunity, or inhibit growth potential.

(Gough & Langevang, 2016; Gwija, et al., 2014; Madzivhandila & Dlamini, 2015; OECD, 2016)

Access to Infrastructure

The lack of funding has a direct impact on the growth of a business, as it limits the procurement of resources and inhibits the entrepreneur from pursuing potential business opportunities.

Some sources, however, indicate that lack of access to finance is sometimes over emphasised by youth, and as a result, other potential constraints are underestimated.

(Gough & Langevang, 2016; Gwija, et al., 2014; Madzivhandila & Dlamini, 2015; OECD, 2016)

Age Stereotypes and Discrimination

Many youth entrepreneurs feel that their age and subsequent limited experience when starting a business leads to a number of age stereotypes and discrimination.

Many age stereotypes spring from generational differences and/or cultural beliefs. In this regard, young entrepreneurs find that their ambition sometimes gets misinterpreted as being arrogant and disrespectful.

Youth are often considered “too young” to be operating a business and are often not taken seriously by seasoned entrepreneurs and by the larger society.

Stereotypes regarding integrity and perseverance can have an impact on obtaining funding and subsequent growth, as businesses are often judged by their experience and track-record, rather than its potential and innovation.

It should be noted that young women entrepreneurs face these stereotypes while also being subjected to gender stereotypes and bias. As a result, studies have

Support Networks

Many studies highlight difficulties that young entrepreneurs face with regards to support, both institutionally and socially.

The lack of awareness and inaccessibility of youth entrepreneur support has been highlighted as one of the most inhibiting factors to small business development and growth among youth in developing countries.

In many instances, young entrepreneurs face scrutiny and criticism from family for pursuing a less “stable” career path and are pressured into seeking employment with a stable income – in many cases in order to support the (extended) family. These young entrepreneurs thus have no social support network to rely on while pursuing their business ambitions.

The lack of mentors and the struggle for a young entrepreneur to find the right mentor has also been highlighted in sources. Reportedly, virtual mentors are becoming more common, but entrepreneurs, especially those in developing countries, are less inclined and accustomed to virtual resources, resulting in a trust and accessibility issue.
shown that young men are more likely to start a business than young women.

Literature also highlights the trust element lacking between youth and mentors. Many youth entrepreneurs are apprehensive about sharing ideas and sensitive information with mentors, fearing that their ideas will be stolen.
(Al Uzaizi, 2017; Gough & Langevang, 2016; Kew, 2017; Livori, 2016)

Self-limitation and Social Expectations
Youth entrepreneurs reportedly face a lot of self-doubt. While this is not uncommon for entrepreneurs in general, youth report their perceived and actual lack of experience as causing anxiety when having to make decisions and carrying the responsibility of running a business.

Social expectations such as the expectation to succeed, as well as traditional and cultural responsibilities (such as financially supporting the family) reportedly add additional pressure on young entrepreneurs, leading to associated pressure, anxiety and self-doubt.

It has also been reported that youth entrepreneurs in some instances feel isolated from their peers and their families due to the fact that starting a business can be very time consuming and stressful.

Education and Skills
Access to education has a direct influence on entrepreneurial activity. Studies found that youth entrepreneurs in developing countries tend to be less educated, on average, than those in developed countries. The majority of young entrepreneurs in Sub-Saharan Africa start their businesses with very limited formal education.

The lack of education and subsequent exposure to STEM education and high-technology related industries result in the majority of youth entrepreneurs concentrated in the less profitable and low technology sector in developing countries. Furthermore, young entrepreneurs with limited education are also less equipped to compete on a global scale, compared to their developed-world counterparts.

It has also been noticed that entrepreneurship education across formal and informal education streams are lacking among youth.
(OECD, ECLAC, CAF, 2016; Al Uzaizi, 2017; Gough & Langevang, 2016; Madzivhandila & Dlamini, 2015)

2.2.5 Global Responses to Promoting Women- and Youth-Owned Enterprises
The level of entrepreneurial activity evident within a country is dependent on the interaction of three factors or elements. These are human capital (skills and knowledge of the working population) the level of economic development (size and performance of the economy) and institutions (government, policies, legal and political environment) (Rusu & Roman, 2017).

The recent global recession experienced during 2009, and the subsequent rise in unemployment, has resulted in a renewed interest in entrepreneurship globally. This has brought about changes in the interaction between the three elements, of which the role of institutions has become increasingly important. Reportedly the promotion of entrepreneurship through policy has gained momentum across the world (Rusu & Roman, 2017).
Literature highlights the importance of women and youth-owned enterprises in ensuring economic growth and employment creation. Reportedly, Africa has seen the highest growth of women-owned businesses in recent years (Kimbu & Ngoasong, 2019) while youth entrepreneurship has grown world-wide, with projections indicating that this generation will be the most educated generation in history (Gwija, et al., 2014).

It has been reported that in order to promote women and youth-owned enterprises, entrepreneurship has to be promoted within an economy. This entails entrepreneurship education and training and instilment of an entrepreneurship culture within society from a regulatory or institutional perspective.

Studies have shown that there are specific opportunities associated with promoting women and youth-owned enterprises. This following sub-sections will look at some of these identified opportunities, followed by policy responses aimed at promoting women and youth-owned enterprises world-wide.

### 2.2.5.1 Identified Opportunities for Women and Youth-owned Enterprises

**A) WOMEN ENTREPRENEURS**

As highlighted previously, **women-owned enterprises** are typically operating within sectors with low-entry barriers such as retail and personal services, and under-represented within more lucrative industries such as professional services and construction (Madzivhandila & Dlamini, 2015; IFC, 2011). The choice of industry for women entrepreneurs may be influenced by challenges faced by women such as access to funding and experience and skills. Despite the sectors, women-owned enterprises have shown growth across the world, and especially in Africa. Women-owned enterprises thus represent **the opportunity to create employment, reduce poverty and grow the economy** (Madzivhandila & Dlamini, 2015; Kimbu & Ngoasong, 2019).

Literature suggests that the concentration of women enterprises in specific sectors and industries also represent **opportunities for women to collaborate and to create clusters** through pulling resources together and by pursuing networks. This is particularly relevant for developing countries where many women produce or sell similar products (Kimbu & Ngoasong, 2019).

The increase in women-owned enterprises, which in large may be a result of the global recession, further presents the **opportunity for women to start a business** or to **pursue a business idea** they would not pursue under different circumstances. It should, however, be acknowledged that in most cases, women who start their business due to effects of a recession, do so out of necessity and not due to an opportunity or new innovation. Studies have found that in countries where the social and institutional environment are less favourable, women are more likely to be necessity driven than opportunity driven. It is also true that in many cases, women-owned businesses represent self-employment and does not lead to additional direct employment creation. This however still means that the individual women have created an opportunity for herself to generate an income (National Women’s Business Council, 2017; Zainuddin, et al., 2017; Niethammer, 2013).

Regardless of being opportunity or necessity driven, women-owned enterprises represent the **opportunity for women to achieve self-expression and independence** (Madzivhandila & Dlamini, 2015; Zainuddin, et al., 2017).

Technology, and in particular mobile devices have ensured that women enterprises, especially those within the informal sector, or those with very little resources, can **access information and their potential market**. This is particularly true when considering access to social media. Many women are unable to create a website (due to
lack of know-how or lack of funding) while they are able to access social media due to the fact that it is user-friendly and easily accessible (Zainuddin, et al., 2017; Niethammer, 2013).

B) YOUTH ENTREPRENEURS

Literature suggests that youth entrepreneurship has grown drastically world-wide. This is attributed to the prevailing unfavourable economic conditions (to a large part due to the after-effects of the global recession) and high unemployment rates facing youth globally (Gwija, et al., 2014). In this regard, youth also represents the opportunity to create employment, reduce poverty and grow the economy (Kimbu & Ngoasong, 2019). Young entrepreneurs are also more likely to employ other youth, and as such, the opportunity to combat youth unemployment, is realised (Kew, et al., 2013).

It has also been indicated that this generation will be the most educated. This is due to the fact that access to information has become increasingly simple. Access to information and the opportunity to educate oneself is a privilege that most other generations were not privy to. This access to information has resulted in youth entrepreneurs being more opportunity driven than other entrepreneurs, leading to the creation of more employment opportunities, compared to necessity driven entrepreneurs (who often do not create additional employment apart from self-employment) (Gwija, et al., 2014).

Linked to the likeliness of youth to start a business due to an opportunity, is the opportunity to diversify the economy. New innovative ideas may lead to a new industry or create new professions and employment opportunities that would not have been possible otherwise (Madzivhandila & Dlamini, 2015).

As with women, youth that decide to become a business owner exhibit a greater sense of independence. Studies have found that young entrepreneurs enjoy higher life satisfaction than their peers, and are given the opportunity to develop new skills such as opportunity recognition, innovation, critical thinking, resilience and teamwork, which they may not have gained otherwise (Kew, et al., 2013).

2.2.5.2 Policy Responses to Women and Youth-owned Enterprises

In order to promote youth and women-owned SMMEs and entrepreneurship, a conducive environment has to prevail. Studies have shown that women and youth can possess positive attitudes towards entrepreneurship, and can be motivated to start a business, but if the environment and governing policies hinder business development, then all other efforts become futile (Madzivhandila & Dlamini, 2015).

Many countries have recognised the need to create a conducive environment for youth and women to successfully start and grow small businesses (Madzivhandila & Dlamini, 2015). The following policy responses have been deployed across the world in an effort to promote women and youth enterprises:
ENTREPRENEURSHIP EDUCATION AND AWARENESS
In many countries, entrepreneurship education is being given attention on all levels of education (primary, secondary and tertiary) in order to ensure that entrepreneurship becomes normalised and considered a viable career option. Through formal education, the role and opportunities for women and youth to become an entrepreneur are realised, and such awareness further foster greater youth entrepreneurial participation and broader acceptance of entrepreneurs.

Other governments also ensure that public awareness and social acceptance through actively promoting SMME and entrepreneurial support agencies and micro financing institutions, as well as promoting and the contribution of SMMEs towards the economy and employment creation.

(Zainuddin, et al., 2017)

ALTERNATIVE FUNDING APPROACHES
A number of alternative approaches to funding exist, which have been brought about through changes in policy. Examples of these include:

- **Training combined with access of funding**
  Ensuring that the individual completes training course(s) to show an understanding of how to manage a business – risk becomes lower

- **Joint property registration**
  Changing regulations to ensure that married women are also recorded on the asset register to ensure equal property rights and ensuring that women are able to use the property as collateral.

- **Modern collateral provisions**
  Allow lending to be secured by movable assets, which benefit women and youth with fewer assets

- **Public Private Partnerships**
  Public sector initiatives that encourage private lending

(IFC, 2011)

CUSTOMISING SUPPORT
Support for women and youth entrepreneurs requires targeted strategies based on an understanding of the conditions. The so-called “women’s market” and “youth market” is not homogenous, and training and support agencies need to understand the specific needs of the particular market segment, as well as the area or region where the business is located.

Many developed countries have taken the initiative to ensure that policies allow for specific strategy development, while this approach is still lacking to a large extent on for developing economies.

(Madzivhandila & Dlamini, 2015; Niethammer, 2013)

RESULT MEASUREMENT
Literature indicates that in order to respond adequately to the needs of women and youth-owned enterprises, result measuring (monitoring and evaluation) of active programmes are required.

Those countries that constantly measure performance and systematically documenting what works and what does not, ensure relevant policy and regulation are in place to translate into support strategies that offers positive results.

(Niethammer, 2013)
The SMME sector in South Africa

2.3.1 The Status of SMMEs in South Africa

The ensuing sub-section is the main component of the section which reviews the state of SMMEs owned by both women and youth in South Africa, their challenges and possible opportunities. The first part of the sub-section provides an overview of SMMEs in terms of economic development and employment creation, followed by a policy environment overview for SMME development in South Africa. Thereafter, challenges faced by women and youth entrepreneurs as well as opportunities available for them are discussed.

2.3.1.1 SMME Size, Employment and Economy

There is limited existing research in terms of a consistent track record of SMMEs over the years in South Africa. Notwithstanding this, statistics show that SMMEs constitute an important part of the South African economy.

A baseline study by the Small Business Institute (SBI), which sought to establish the number of formal SMMEs in South Africa, found that the number of formal SMMEs in the country amounted to approximately 260 000 firms in 2016 (SBI, 2018). According to the Annual Review of Small Businesses and Cooperatives (DSBD, 2017b), the total number of people that identify as self-employed in 2016, regardless of the business registration status, was approximately 2.2 million. More recent data published by Seda indicate that the total number of SMMEs amounted to approximately 2.6 million in the third quarter of the 2018 financial year, with formal SMMEs making up approximately 29% of all SMMEs. The data further indicate that the number of SMMEs have increased by 13.6% year on year for this period (Seda, 2018; Seda, 2019). These results are set out in the figure below:
A study by the research group ‘In On Africa’ reveals that the majority of SMMEs in South Africa can be classified as micro-enterprises (IOA, 2018). The Annual Review of Small Businesses and Cooperatives (DSBD, 2017b), breaks this further down according to formal and informal SMMEs to reveal that approximately 98% of informal SMMEs are considered micro compared to about 6% of formal SMMEs.

The distribution of active SMMEs by geographic location of the business owner(s) are illustrated in the diagram to the left. It reveals that the majority of active SMMEs are located in Gauteng (+/- 888 000), followed by KwaZulu-Natal (+/- 401 000) and Limpopo (+/- 316 000) and the Western Cape (+/- 260 000) (Seda, 2019). Reportedly, the distribution of formal SMMEs are linked to urban activity, which could explain the high concentration of SMMEs in especially Gauteng (Khosa, 2001).

Literature indicates that South Africa has a relatively balanced profile in terms of sector participation by SMME, although the majority of SMMEs are active within the consumer sector (Herrington, et al., 2015). Statistics derived by Seda support these claims, which show that the highest proportion of SMMEs are engaged in the trade and accommodation sector (see Figure 2-7 below). The lowest proportion of SMMEs are found in the extractive/primary sectors (Mining and Agriculture) and energy production (Seda, 2019).
South Africa has a relatively high proportion of SMMEs that do not expect to create any jobs in the next five years. The percentage of entrepreneurs or SMME owners who expect to generate no jobs within the next five years has increased considerably since 2013, from 8.2% to 29.8% in 2015 (Herrington, et al., 2015). The decline in job growth aspirations may be linked to the increase in the number of necessity-driven entrepreneurs (Urban, 2011; Maye, 2014). Additionally, a discouraging finding is that the country has a low high-growth job expectation. For instance, there were only 25% of SMMEs or entrepreneurs expected to create six or more jobs in the next five years in 2015, down 12.7% from 37.7% in 2013 (Herrington, et al., 2015). The SMME Quarterly Update for the third quarter of 2018, however, indicates that SMMEs provided employment (both formal and informal) to around 10 million people, which is about 61% of all jobs in South Africa. Of these, approximately 2.6 million jobs accounted for the SMME owners and the remaining 7.5 million for SMME employees.

Sources vary in the reported contribution of SMMEs to South Africa’s GDP. According to an address by the Deputy Governor of the South African Reserve Bank (SARB) in 2015, it was estimated that 91% of formal SMMEs in South Africa are responsible for 52-57% of GDP (Groepe, 2015). Statistics South Africa (cited in Rungani and Potgieter, 2018) indicates that the SMME sector contributes approximately 42% of South Africa’s GDP while others estimate the contribution of SMMEs at as little as 36% (Herrington, et al., 2015). The DSBD, in its Annual Review of Small Businesses and Cooperatives, have derived the following GDP contribution for enterprises, using both StatsSA and Quarterly Labour Force Survey (QLFS) data:

Table 2-3: SMME relative contribution to GDP

<table>
<thead>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>12%</td>
<td>13%</td>
<td>13%</td>
<td>14%</td>
<td>17%</td>
</tr>
<tr>
<td>Small and very small</td>
<td>39%</td>
<td>39%</td>
<td>33%</td>
<td>34%</td>
<td>-13%</td>
</tr>
<tr>
<td>Medium and large</td>
<td>47%</td>
<td>48%</td>
<td>53%</td>
<td>52%</td>
<td>6%</td>
</tr>
</tbody>
</table>

(DSBD, 2017b)
Taking the various sources and estimation of GDP contribution into account, literature indicates that South Africa’s SMME contribution towards GDP is relatively low compared to other developing countries such as Brazil (59%) and Chile (57%) and developed countries such as Japan (55%) and Germany (87%) (Leboea, 2017).

2.3.1.2 Business Environment, Entrepreneurial Activity and Challenges

As is the case globally, South African SMMEs face many external challenges when starting, sustaining and growing a business. Much of these have been captured by the World Bank’s Doing Business 2019 Report (as discussed in greater detail under section 2.2.2). Based on the EODB index, South Africa is ranked 20 out of 190 countries. However, South Africa is ranked the second highest (after Mauritius) when compared to the rest of the Southern African Development Community (SADC) countries:

Figure 2-8: Ease of Doing Business: SADC 2019

The World Bank furthermore published a ‘Doing Business 2019’ report for the SADC, comparing all the different aspects that comprise the ease of doing business. The table below compares how South Africa scores in relation to the other SADC countries when looking at the different aspects of doing business:
From the table, it is clear that although South Africa does not score the best in terms of the different aspects, it also does not score the worst. The country exhibits weaknesses in the starting a business category (ranked 134), mostly due to high start-up cost and lengthy procedures and in the getting electricity category (ranked 109), trading across borders (ranked 143) as well as registering property category (ranked 106), especially in terms of number of days, costs and procedures required. These are also some of the areas where South Africa has not shown improvement (as measured by Doing Business reforms) over the past five years.

The GEM survey confirms South Africa’s persistently low levels of entrepreneurial activity relative to other countries participating in GEM. Based on the available literature, in the 64 countries surveyed in 2016 (Global Entrepreneurship Research Association, 2016), South Africa was ranked 51st in TEA levels (6.9%). South Africa’s established business ownership rate is extremely low – it has declined from 3.4% in 2015 to 2.2% in 2017, as illustrated in the table below:
Table 2-5: Prevalence rates of entrepreneurial activity among the adult population in South Africa

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>TEA rate</td>
<td>9.2%</td>
<td>6.9%</td>
<td>11.0%</td>
</tr>
<tr>
<td>Established business ownership rate</td>
<td>3.4%</td>
<td>2.5%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Business discontinuance rate</td>
<td>4.8%</td>
<td>4.5%</td>
<td>-</td>
</tr>
</tbody>
</table>

(GEM, 2016; GEM, 2017; Herrington, et al., 2015)

The table above reveals that 2.2% of the adult population between the ages of 18 and 64 own or manage a business that has been in operation for more than 42 months (3.5 years). The TEA rate is much higher than the established business rate, suggesting a poor level of new enterprise sustainability in the country.

Given the role entrepreneurs play in job and wealth creation, this low established business ownership rate is especially concerning. This is particularly important in South Africa, where, in the face of a massive unemployment rate, the business discontinuance rate is higher than its established business rate.

The business discontinuance rate, (failure rate) reported by DSBD (using CIPC and GEM data) from 2013-2016, are unpacked below. It should be highlighted that this only refers to those registered or formal businesses, and actual failure rate for informal or survivalist enterprises may be much higher.

Table 2-6: Business registration and discontinuance comparison

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of business registrations</td>
<td>240 781</td>
<td>236 673</td>
<td>317 498</td>
<td>374 844</td>
</tr>
<tr>
<td>Number of businesses discontinued</td>
<td>9 390</td>
<td>9 230</td>
<td>15 239</td>
<td>16 867</td>
</tr>
<tr>
<td>Business discontinuance rate</td>
<td>3.9%</td>
<td>3.9%</td>
<td>4.8%</td>
<td>4.5%</td>
</tr>
</tbody>
</table>

(DSBD, 2017b)

The most common reason among entrepreneurs in South Africa for business discontinuance or failure is a lack of profitability (Herrington, et al., 2015). According to the DSBD, fear of failure among entrepreneurs are also very prominent in South Africa. Drawing from the GEM survey, 31.2% of entrepreneurs have listed ‘fear of failure’ as a reason for not accessing entrepreneurial opportunities. This is 4.7% higher than the African average (DSBD, 2017b).

SMMEs in South Africa face an array of challenges. Generic challenges for SMMEs in South Africa include (but are not limited to) the following:

**Economic conditions:**

Many sources have highlighted the potential impact that SMMEs could have on stimulating economic growth and creating economic opportunities. However, global and local economic conditions impact small businesses and pose many challenges. An example of this is the recent credit rating downgrade the country faced, causing financial institutions to become increasingly risk averse, foreign investment to decrease and a decline in the demand for exported goods from South Africa (Omarjee, 2017; DSBD, 2017a; DSBD, 2017b).

In addition, globalisation adds another level of increased competitive pressure to SMMEs in South Africa to reduce the production cost, increase productivity and be more
knowledge intensive in order to compete with international businesses and products (Rungani & Potgieter, 2018; Leboea, 2017).

**Political and Regulatory Environment:**
From literature consulted SMMEs have listed restrictive regulations, policy instability and inefficient government bureaucracy (red tape) as aspects that pose challenges to business start-up and business growth (GEM, 2017; DSBD, 2017b). Reportedly, small business owners feel that the current regulatory environment is better suited to large private companies (DSBD, 2017a).

In South Africa, a number of policies have been developed to promote small businesses, and in particular women and youth-owned SMMEs. One such policy is the Preferential Procurement Policy Framework Act (Act 5 of 2000) which allows women and youth-owned businesses to compete fairly against larger firms for government tenders and 30% of government procurement purchased through SMMEs. While this is currently happening, many government departments are not adhering to the 30-day payment turnaround policy. As a result, late payments from government significantly affect SMMEs (business closure, retrenchment of employees etc.) (DSBD, 2017b; Rungani & Potgieter, 2018; Leboea, 2017; Fatoki & Garwe, 2010).

**Skills and Labour:**
Another challenge reported by SMMEs relates to acquiring and retaining labour. Many business owners feel that the current workforce is not adequately educated or skilled to fulfil their duties effectively and that appropriately skilled staff are hard to find. Some sources also list the poor work ethic of workers as a threat to SMME survival and growth. The cost of labour has also been listed as a challenge, with many small businesses unable to adhere to minimum wage laws and struggling to adhere to labour regulations in times of economic downturn when labourers may need to be reduced (DSBD, 2017a; DSBD, 2017b; Rungani & Potgieter, 2018; Leboea, 2017).

**Crime and Corruption:**
Crime has been listed as a matter of concern for SMME owners. The costs associated with acquiring and installing crime prevention measures has been listed as a challenge, while businesses that have been victims of crime and theft face difficulties in recovering from the damages incurred (DSBD, 2017b).

As highlighted earlier, the Preferential Procurement Policy Framework Act (Act 5 of 2000) attempts to ensure that SMMEs benefit from government tenders and procurement, however, an unintended consequence in certain cases has been corruption. The literature further indicates that a lack of proper monitoring and inadequate systems within government departments may also lead to the corruption that SMMEs may be subjected to or expected to take part in (DSBD, 2017b; Rungani & Potgieter, 2018; Leboea, 2017).

**Finance and Funding:**
Many sources (Fatoki & Garwe, 2010; DSBD, 2017a; DSBD, 2017b) list access to finance and funding as one of the greatest (if not the greatest) challenge faced by SMMEs. The lack of finance inhibits small businesses to take off and to grow. Owners of SMMEs often do not meet the criteria in order to qualify for funding or to obtain a loan, especially when businesses are in its infancy stages. These criteria typically refer to collateral, positive credit history, agreements or contracts in place etc. (Fatoki & Garwe, 2010; DSBD, 2017a; DSBD, 2017b).
Markets and Competition:
Difficulties in accessing markets and finding and maintaining customers has been highlighted as a great challenge for SMMEs operating in South Africa. According to a study initiated by the DSBD, market access for SMMEs are difficult for many reasons, of which the following are most pronounced (DSBD, 2017a):

- Approximately 90% of the economy is dominated by large private companies. These large companies often hold a majority of the markets share, making it hard for small companies to penetrate the market. In other instances, large companies have established relationships with suppliers, and as a result are not interested in conducting business with new, small companies without a long track record.
- Because SMMEs struggle to access finance and funding, they struggle to expand and to be able to deliver goods and services to the market to build consumer trust and to compete with large private companies.
- Locational and demographic background also inhibits many SMMEs from accessing markets, as they have limited resources and networks to overcome structural barriers.
- Many SMME owners lack knowledge, skills and access to information to adequately assess the market and identify gaps and opportunities in the market. Lack of access to technology further inhibits small business owners from using technology and associated platforms to access the market and promote their business.

Support Networks:
Small start-up businesses often indicate that there are limited networks for small businesses and entrepreneurs that can provide support and to spread awareness of opportunities such as funding avenues, markets, competition and information sources. In other instances, networks may exist, but new business owners may not be aware of them or know how to go about to join and utilise these networks. The lack of proper guidance in the form of qualified mentors and business advisors are also a challenge that many small business owners face (Rungani & Potgieter, 2018; Leboea, 2017; DSBD, 2017a; DSBD, 2017b).

Infrastructure and Premises:
The lack of infrastructure and adequate premises to conduct business from are often listed as an inhibitor of business growth for SMMEs (DSBD, 2017a).

Infrastructure is seen as the catalyst and foundation for economic development and growth for a country. Inadequate access to and delivery of infrastructure to SMMEs is a real problem, especially in more rural areas of the country. The costs associated with municipal services are often listed as a challenge for start-up businesses. Tied in with this, is access to virtual infrastructures such as quality internet and ICT. Many small business owners find the cost of internet in South Africa to be unaffordable and thus a challenge for achieving growth (Rungani & Potgieter, 2018; Leboea, 2017; DSBD, 2017a; DSBD, 2017b).

Many small businesses start out very small and are often being operated from home. While this may be adequate in the very early stages of a business, it often inhibits business growth as businesses often need dedicated and/or specialised premises to operate from. Premises, equipment and machinery are often listed as an indirect factor which influences the need for funding for SMMEs (DSBD, 2017b).
Mindset and Internal Factors:
A key aspect for any small business owner is his or her own mindset. The lack of basic life skills, self-confidence, assertiveness, passion and perseverance (grit) may lead many small business owners to give up and business failure. In many instances, the lack of entrepreneurial mindset and internal motivation may stem from the lack of family support and societal acceptance of entrepreneurship as a valid and lucrative career path (Rungani & Potgieter, 2018; Leboea, 2017; DSBD, 2017a; DSBD, 2017b; GEM, 2017).

2.3.1 The South African Policy Environment Overview for SMME Development

The purpose of the policy and programme review is to provide an overview of the policies that guide SMME development and support, particularly focussed on women- and/or youth-owned SMMEs. The most relevant legislation and policy documents are summarised below. For a more detailed description, refer to Annexure B.

Figure 2-10: Overview of SMME related policies and legislation
2.3.2 Women- and Youth-Owned SMMEs in South Africa

This section provides a brief overview of the key characteristics and context of female and youth entrepreneurial activity in South Africa. The performance, sectoral focus, challenges and opportunities of women and youth-owned SMMEs are also unpacked.

2.3.3.1 Status of Women- and Youth-Owned SMMEs in South Africa

Entrepreneurial activity, the performance and sectoral distribution of women- and youth-owned SMMEs are explored in this section, as informed by existing literature and available statistics.

**Entrepreneurial activity among women in South Africa**

A limited number of studies have researched women-owned businesses in South Africa, and in particular, the range of SMME types and business size (UNDP & DBSA, 2016). From the existing research, however, it seems encouraging that it was found that both men and women entrepreneurs in South Africa are motivated by opportunity, and not only necessity. In fact, a study by GEM (Herrington, et al., 2016) found particularly high levels of opportunity motivation in both male and female entrepreneurs. This is encouraging, considering that international literature presents most women businesses owners in developing countries as necessity driven. This is illustrated in the table below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Male Opportunity</th>
<th>Female Opportunity</th>
<th>Male Necessity</th>
<th>Female Necessity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>72%</td>
<td>64%</td>
<td>27%</td>
<td>34%</td>
</tr>
<tr>
<td>2014</td>
<td>71%</td>
<td>71%</td>
<td>29%</td>
<td>27%</td>
</tr>
<tr>
<td>2015</td>
<td>68%</td>
<td>62%</td>
<td>30%</td>
<td>38%</td>
</tr>
<tr>
<td>2016</td>
<td>76%</td>
<td>72%</td>
<td>21%</td>
<td>27%</td>
</tr>
</tbody>
</table>

(Herrington, et al., 2016)

Many sources acknowledge that women entrepreneurs’ motivation for engaging in SMMEs have gone beyond poverty alleviation to include attractions to business acumen, self-determination/autonomy and a desire to make a social contribution (Meyer & Landsberg, 2015; Kock, 2008; Fatoki, 2014). However, among the women owning informal SMMEs, destitute conditions such as insufficient family income and difficulty finding a job are the key drivers for starting an informal business (Henning & Akoob, 2017).

Women are still in the minority when it comes to the entrepreneurial landscape. South Africa exhibits an exceptionally wide gender gap in terms of TEA (Total Early-Stage Entrepreneurial Activity). Over the four year period illustrated in the table below, men were 1.4 times more likely to be engaged in TEA as their female counterparts (Herrington, et al., 2016).

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male TEA rate</td>
<td>12.3</td>
<td>7.7</td>
<td>11.6</td>
<td>8.0</td>
</tr>
<tr>
<td>Female TEA rate</td>
<td>9.0</td>
<td>6.3</td>
<td>7.0</td>
<td>5.9</td>
</tr>
<tr>
<td>Ratio female to male</td>
<td>0.73</td>
<td>0.8</td>
<td>0.6</td>
<td>0.74</td>
</tr>
</tbody>
</table>

(Herrington, et al., 2016)
It is discouraging that the rates of all levels of female TEA have dropped considerably, compared to 2015 and years before. Although male entrepreneurs still dominate the numbers, female entrepreneurs are gaining traction with the gap between the sexes getting smaller. Seed Academy, (2017) reports that the reason for narrowing the gender gap in entrepreneurship might be an indication that government initiatives and other similar initiatives have started to bear fruit.

**Entrepreneurial activity among youth in South Africa**

The influence of age on entrepreneurial activity tends to be similar throughout the world, with the highest prevalence of entrepreneurial activity among the 25-34 and 35-44-year olds across all development phases. South Africa is no different and follows the general global pattern with respect to the influence of age on entrepreneurial behaviour.

According to the findings from the 2016 Seda Annual Review, motivation for starting a business for youth are mostly out of necessity, followed by having an interest in a specific product or service. With regards to Total Early-Stage Entrepreneurial Activity (TEA), GEM reports that entrepreneurial activity among 18-24 year olds is very low, while there has also been a decrease in TEA for 25-34 year olds between 2013 and 2016 (Herrington, et al., 2016). These findings are set out in the table below:

**Table 2-9: TEA rate by age group in South Africa**

<table>
<thead>
<tr>
<th>Age Category</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 - 24 years (Youth)</td>
<td>7.8</td>
<td>4.8</td>
<td>6.3</td>
<td>6.7</td>
</tr>
<tr>
<td>25 - 34 years (Youth)</td>
<td>14.1</td>
<td>9.0</td>
<td>10.9</td>
<td>6.3</td>
</tr>
<tr>
<td>35 - 44 years</td>
<td>11.5</td>
<td>7.5</td>
<td>12.3</td>
<td>8.4</td>
</tr>
<tr>
<td>45 - 54 years</td>
<td>10.9</td>
<td>7.4</td>
<td>8.0</td>
<td>9.6</td>
</tr>
<tr>
<td>55 - 64 years</td>
<td>6.0</td>
<td>4.9</td>
<td>4.4</td>
<td>3.1</td>
</tr>
</tbody>
</table>

(Herrington, et al., 2016)

The relatively low levels of entrepreneurial activity among the youth in general in the country is of concern in the context of the high level of unemployment among the youth group. South Africa reported a youth unemployment rate of 40.7% in the first quarter of 2019. The youth aged 15-24 years, in particular, are the most vulnerable in the South African labour market as the unemployment rate among this age group was 55.2% for the same period (StatsSA, 2019). As a result of this, those young entrepreneurs engaged in business activities are mainly motivated by economic necessity, in this case, lack of employment (Fatoki, 2014).

However, it is worth noting some differences between entrepreneurs across youth segments.

**Performance and characteristics of women-owned SMMEs in South Africa**

The GEM survey has conclusively shown that SMMEs owned by women tend to be smaller than those owned by men, both in terms of turnover and number of employees. The findings from the SME Growth Index are consistent with this global pattern (SBP, 2013). South African women-owned SMMEs generally have lower turnover and fewer employees, than those owned by men. Distribution of business size in terms of turnover shows that in all SMMEs, the average turnover of women-owned businesses is R8 million, approximately
R4 million less than the R12 million average turnover among businesses owned by men. The study further showed that SMMEs owned by men produce substantially larger turnovers in the manufacturing, business services and tourism sectors.

In terms of employees, it is reported that women-owned SMMEs tend to also employ smaller numbers than their male counterparts. The average woman-owned business employs 23.1 people, while a business owned by man employs an average of 29.6 (SBP, 2013). It has been reported that SMMEs owned by women in the manufacturing and tourism sectors employ considerably fewer people (14% less) than their male counterparts. However, the gap between business services firms owned by women and those owned by men is far closer, with women-owned firms employing an average only 3% less staff members than their male counterparts.

**Performance and characteristics of youth-owned SMMEs in South Africa**

Accurate, up-to-date and statistically significant data regarding the performance of youth-owned SMMEs are limited, as reported data is not typically disaggregated by age of business owners.

Some research on the performance of youth-owned businesses in South Africa exist, but it tends to be very location and circumstance specific. One such study was undertaken in the Capricorn District Municipality in Limpopo, focusing on youth-owned businesses in rural areas. This study observed that youth-owned SMMEs generate less than R200 000 annual mean revenue (Maebane, 2015). While these figures may not be true for all regions or different settings in South Africa, it does provide some indication of the relatively low-income generating nature of youth-owned small businesses in more rural settings. It is also reported that most youth business owners that were studied, had no prior experience in a similar business and no managerial experience. This finding is similar to findings from a study which shows that youth entrepreneurs in South Africa have no previous experience in the business industry of their choice (Gwija, et al., 2014).

**Distribution of women- and youth-owned SMMEs by sector in South Africa**

There is limited research on business characteristics, according to the industry sector, of both females- and youth-owned SMMEs in South Africa. Only a few studies have analysed such. Those that do, focus either on formal enterprises or region-based enterprises, which tend to be overwhelmingly urban-based. Therefore, there is a significant gap in the existing literature on the SMMEs owned by women and youth across South Africa.

The available study, if not the only one, for women-owned SMMEs that has conducted this kind of analysis is SBP (2013), which is aligned with global studies. Women-owned SMMEs tend to be concentrated in specific sectors – typically those with lower entrance requirements such as tourism, and lower participation in traditionally male-dominated sectors such as manufacturing (refer to the graph below). This is consistent with international trends – technology-related sectors have higher entry requirements, both in respect of the need for greater investment capital, or the need for specialised professional or technical skills. The presence (albeit small) of women entrepreneurs in this technology-related sector is encouraging. According to SBP (2013), these women-owned manufacturing businesses cover a wide variety of activities, including plastics moulding and metalworking, and could provide useful role models for women looking to establish themselves in traditionally male-dominated sectors.
Similarly, there is much smaller literature on the profile of youth-owned SMMEs by sector across the country, and a complete lack of research on the extent and nature of youth involvement in such sectoral-focused enterprises.

### 2.3.3.2 Challenges and Opportunities for Women and Youth Entrepreneurs in South Africa

This sub-section unpacks the challenges and opportunities for women and youth-owned SMMEs in South Africa, as identified through numerous sources and published literature.

**Challenges for women and youth-owned SMMEs**

An abundance of literature regarding the general and typical challenges faced by SMMEs in South Africa exists. These challenges mostly relate to aspects such as access to capital, government regulations, education and business knowledge and support (Meyer & Landsberg, 2015). Both women-owned SMMEs and youth-owned SMMEs also experience these challenges, although the way they experience it differ. Other specific challenges also exist for both of these groups. Findings from the literature on specific challenges faced by women and youth-owned SMMEs in South Africa are set out below:
<table>
<thead>
<tr>
<th>CHALLENGES</th>
<th>WOMEN-OWNED SMMEs</th>
<th>YOUTH-OWNED SMMEs</th>
</tr>
</thead>
</table>
| Access to funding/capital  | In South Africa, many women-owned businesses, and especially those that were started out of necessity, struggle to gain access to funding (both start-up funding and working capital). Sources indicate the reasons for this include:  
- Lack of awareness of funding options  
- Prevalence of gender-bias within funding institutions resulting in occurrences of practices such as higher interest rates and/or fees  
- Lack of collateral  
- Women married within the community of property require their husband’s consent to take out loans, or to put up property as collateral  
- Inability to develop a business plan  
[UNDP & DBSA, 2016; Meyer & Landsberg, 2015] | Access to funding for young business owners have been reported by many sources as a major challenge. Financial institutions are reportedly reluctant to offer loans to youth business-owners for the following reasons:  
- Lack of credit record  
- The (perceived) risk factor of youth  
- Business unpredictability  
- Lack of experience  
Reportedly, youth entrepreneurs find the conditions very stringent and hard to achieve in order to obtain a loan. They often resort to personal savings or family support/loans.  
[Kew, 2017; Madzivhandila & Dlamini, 2015; Gwija, et al., 2014] |
| Basic education             | In South Africa, a great number of people do not have access to acceptable and adequate basic education. This is pronounced amongst rural women in South Africa.  
Many of these marginalised women are also those that start businesses out of necessity, and then struggle to grow a sustainable business due to their lack of rudimentary skills and understanding.  
[Herrington, et al., 2015; Irene, 2017; Meyer & Landsberg, 2015] | Sources have highlighted that the basic education that South African’s receive is below par when compared globally. As such, many school leavers are not geared to start their own business but are often forced to do so due to circumstance and lack of job opportunities.  
South African children are also not educated or socialised to become entrepreneurs at school, and the entrepreneurial spirit is not fostered or exploited.  
Many authors also indicate that a lack of exposure to the latest technologies at school level also puts South African youth at a disadvantage in competing with new products and sector such as the automation and the gig economy.  
[Herrington, et al., 2016; Madzivhandila & Dlamini, 2015; Kew, 2017] |
| Access to and awareness of Business Support Services | Numerous sources indicate that many women entrepreneurs are not aware of the various Business Support Services (both financial and non-financial) on offer, or how to access it.  
[Botha, 2006; Irene, 2017; Mandipaka, 2014] | Youth business owners seem to be more aware of business support services and government support than other cohorts. However, youth reportedly indicate that the poor coordination and maladministration of support services, especially those focused on youth, are hampering access to these services.  
[Skosana, 2011; Madzivhandila & Dlamini, 2015; Kew, 2017] |
<table>
<thead>
<tr>
<th><strong>CHALLENGES</strong></th>
<th><strong>WOMEN-OWNED SMMEs</strong></th>
<th><strong>YOUTH-OWNED SMMEs</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Socialisation and norms</strong></td>
<td>Women business owners in South Africa, are often confronted with socio-cultural challenges related to <em>family and domestic responsibilities</em> which their male counterparts do not face, enabling them to make greater time commitments to their business. Cultural norms furthermore give women a <em>lower status in society</em> in certain settings, resulting in women business owners not being taken seriously. Women are often also expected <em>not to display character traits such as assertiveness</em>. (Botha, 2006; Irene, 2017; Mandipaka, 2014; UNDP &amp; DBSA, 2016)</td>
<td>Due to South Africa’s history, many individuals and groups were excluded from both academic and economic opportunities. As such, many young people are encouraged to pursue tertiary education and to enter existing “stable” jobs or professions. Entrepreneurship is not encouraged by many parents to their children in fear of the risk (such as financial instability) that starting a business entail. (Kew, 2017; Herrington, et al., 2016; Madzivhandila &amp; Dlamini, 2015)</td>
</tr>
</tbody>
</table>
| **Business education and experience** | The lack of business management skills has been identified as a specific challenge that women entrepreneurs/business owners face. This is in great part due to the fact that women often start businesses out of necessity and are thus ill prepared with limited understanding of the various aspects of operating and managing a business. Specific aspects include:  
- Lack of knowledge to develop and present a business plan  
- Lack of marketing and business management training opportunities  
- Limited business connections and business-oriented networks to learn from | Many young people start their businesses with limited or no experience in either the chosen field or in managing a business. This is in large parts due to their age and the time that they have been considered to be part of the economically active population. This lack of their own workplace experience to draw from may hamper the entrepreneur’s confidence (both in starting and sustaining a business), adding to the fear of failure. (Skosana, 2011; Herrington, et al., 2016; Madzivhandila & Dlamini, 2015) |
| **Discrimination and bias** | It is widely reported that women business owners experience discrimination and gender bias on various levels and in different situations. These include:  
- Low credibility from suppliers, customers, potential investors and employees based on being a woman  
- An expectation to carry out domestic responsibilities (by family and greater society)  
- Misinterpretation of behaviour (assertiveness, drive, leadership) due to cultural norms and standards  
- Breaking into male dominated industries require women to work harder in fear of being undermined | Youth business owners and young entrepreneurs are often subject to bias based on their age and perceived inexperience in business, or a particular industry. Discrimination and bias experienced by youth business owners include:  
- Being considered as higher risk cases when applying for funding or loans  
- Low credibility from other business owners, suppliers, potential customers and employees  
- Considered to be impulsive  
- Passion, assertiveness and drive being misinterpreted as disrespect |
### CHALLENGES

#### WOMEN-OWNED SMMEs

- Being subject to higher entry requirements based on the misconception that women are less capable than men to run a business
  
  (Botha, 2006; Irene, 2017; Mandipaka, 2014; Meyer & Landsberg, 2015)

#### Networks, mentors and support

Some studies have shown that South African business owners have fewer business connections than men and that women entrepreneurs do not have women role models to look up to. This directly affects women’s willingness to engage in entrepreneurial activity. Many women business owners also do not have a business-oriented network in their communities.

The lack of women entrepreneurial prevalence in many cases also results in a lack of family support for women wanting to start or grow a business.

(Botha, 2006; Irene, 2017; Mandipaka, 2014; UNDP & DBSA, 2016)

#### Youth-owned SMMEs

Various sources report that youth business owners and young entrepreneurs do not have role models to look up to and lack networks that can encourage them in their business endeavours.

In South Africa, many youth entrepreneurs have weak social networks, making them more vulnerable to failure when embarking on a business venture.

Other sources suggest that young entrepreneurs often struggle to build up professional networks within their industry, due to a lack of exposure and experience.

(Skosana, 2011; Herrington, et al., 2016; Madzivhandila & Dlamini, 2015)

#### Self-doubt and self-limitation

Due to the fact that more women start businesses out of necessity compared to men, they often also lack the required life skills associated with a successful entrepreneur. These include aspects such as self-confidence, assertiveness, self-motivation, risk tolerance, communication skills etc.

In many cultural settings in South Africa, women are still subject to a lower status in their society and are thus not encouraged to excel or strive for success alongside their male counterparts. This has a direct impact on self-confidence and self-belief.

(Botha, 2006; Irene, 2017; Mandipaka, 2014; Meyer & Landsberg, 2015)

Self-doubt and self-limitation in youth business owners and entrepreneurs often stem from:

- Inexperience in business
- Lack of industry related experience
- Lack of social support
- Lack of information
- Lack of entrepreneurial spirit when business was started out of necessity
- Lack of access to required training

(Kew, 2017; Madzivhandila & Dlamini, 2015; Herrington, et al., 2016)

### Opportunities for Women and Youth Entrepreneurs

Globally, the economy has seen vast condition changes with the increased presence and dependence on technology. Although the reality of technological advances has meant in many cases labour displacement, it has created more jobs and new opportunities than what it has displaced. Technological advances have meant that new production methods have emerged and helps overcome hurdles such as time, location, access to information and has spurred innovation (World Bank, 2019b). In this light, it is important to emphasise that governments should, in light of the uncertainty regarding technology and its impact on future employment and the economy, rethink policies to ensure that the vulnerable are protected, while still encouraging employment and business creation (World Bank, 2019b).
The South African Government has stated that the country needs to adapt to the fourth industrial revolution (4IR) and has created a task team to advise the minister of Higher Education Science and Technology on how to manage the threats and opportunities posed by the 4IR (Kahn, 2019; van der Merwe, 2019).

The 4IR indeed holds out opportunities for South African re-industrialisation. Among the opportunities of this digital transformation of industries/sectors are new opportunities for innovative business models. Particularly, this is a great opportunity to promote entrepreneurship among women and youth and to participate in the high technology economic activities using ICT/smart technologies. As noted, very few women and youth break into the technology field both nationally and globally. This is also a great opportunity to explore how 4IR innovations could help drive a systems transformation across the environment and natural resource security agenda, where youth and women engage in new sustainable business practices, such as the development of renewable energies, green manufacturing, eco-tourism and green services, that create environmental and social value by tackling issues of climate change in South Africa. Therefore, the 4IR aims to bring significant changes to the way businesses are done.

The 4IR is impacting manufacturing and many small businesses through three interrelated technologies (Naude, 2017). These three pillars and the opportunities are set out below:

**ROBOTICS & AUTOMATION**

As an opportunity, robots can offer a less costly solution for overcoming institutional and geographical constraints hampering manufacturing in South Africa. Drones are of particular interest to SMMEs, given South Africa’s large travelling distances, rugged terrain and lack of public transport in particularly remote and rural areas. Opportunities for local women and youth entrepreneurs include:

- Providing pesticide spraying services to farmers
- Surveillance and site monitoring (mining, construction etc.)
- Wildlife conservation/protection
- Search and rescue

(Chan, 2019; Martin, 2018; Naude, 2017)

**ADDITIVE MANUFACTURING (3D PRINTING)**

Additive printing, or 3D printing, uses laser printers to produce objects by printing very thin layers of material onto one another. 3D printers are also much more mobile and energy efficient than traditional manufacturing machinery, and the costs of these printers are steadily declining. Reportedly, there is an opportunity for women and youth to enter this market, especially in the manufacturing of agricultural tools and implements in rural and remote areas.

This opportunity has also been identified by the educational role-players. Reportedly, Northlink College has established a 3D printing academy for students to assist youth to design and manufacture their own products, while developing their entrepreneurial skills to bring these products to market.
South Africa needs to grow its industrial sector if it wants to develop. This is now having to take place in a world where the 4IR is irrevocably transforming manufacturing and how we are doing business. South Africa thus needs to develop policies to participate in the 4IR, both from an educational and economic standpoint. In particular, this would require the promotion of women and youth SMMEs in these sectors as well as technical development and entrepreneurial promotion within the STEM framework.

THE INTERNET OF THINGS (THE INDUSTRIAL INTERNET)

The Internet of Things (IoT) refers to the use of intelligently connected devices and systems to connect people to objects (things). These things do not only refer to computers or smartphones, but a myriad of objects such as appliances, motor vehicles, machinery, autonomous vehicles, smart contact lenses etc.

Opportunities for women and youth SMMEs lie in producing and supplying the smart machines and grids to be used in mining and electricity expansion, and in healthcare and transportation.

The adoption of IoT in South Africa will depend on the availability of skilled labour and entrepreneurs to understand the nature of digital services and how to develop these given the nature of physical production.
3. The Status and Performance of Women- and Youth-owned SMMEs

This Section, along with Section 4 of the report comprise of the primary research aspects of the study. This section sets out the current status of women- and youth-owned SMMEs. The information on the status and performance presented here is drawn from:

i. Inputs received during the Seda-organised strategic policy direction workshop
ii. Feedback from focus group discussions with women and youth SMME owners across the nine provinces of the country
iii. Results from the telephonic survey undertaken among women and youth-owned SMMEs

3.1 Profile of Women and Youth SMME owners

This Sub-section serves to present a snapshot of the current profile of active or operational SMMEs owned by both women and youth in South Africa, evaluating the characteristics of these SMMEs across two dimensions: owner and firm characteristics. The findings are based on data from the telephonic survey which provides insights about similarities and differences between (and among) women and youth SMME owners in general. It should be noted, therefore, the results obtained seek to reflect the characteristics of the larger group of both women and youth SMME owners nationally.

The results captured here reflect the status of 205 active women-owned businesses and 210 active youth-owned businesses.

Owner Characteristics

By far the largest group of SMME owners surveyed in the women category are Black Africans, accounting for more than 90%. Similar in the youth category, the majority of SMME owners are Black African men (70%) and women (20%).

Approximately 43% women SMME owners are between 35 and 44 years of age. The vast majority, 92% of youth SMME owners are between the ages of 25 and 34. With regard to personal characteristics, 33% of women SMME owners did not have at least matric, compared to 19% of youth SMME owners. A higher proportion between both groups have a university or higher degree.

The location of women and youth SMME owners and their businesses are broken down by province. 15% of women’s SMMEs are located in the Western Cape, followed by both Gauteng and Mpumalanga, with 14% respectively. The Northern Cape (6%) and Free State (6%) all have a relatively low proportion of women-owned SMMEs. On the other hand, far more youth SMME owners located their businesses in Limpopo (20%) and Mpumalanga (17%) than in other provinces. Additionally, a relatively high proportion of both women- and youth-owned SMMEs function within an urban township and rural area compared to a commercial and business centre of a city and town (central business district or CBD). The result suggests that both women- and youth-owned SMMEs are more likely to be located in low economic activity areas than in CBDs with higher levels of economic activity and better infrastructure.
Figure 3-1: Demographic background of women SMME owners

- **Gender & race**
  - 100% female
  - 92% Black African
  - 5% Coloured
  - 3% White

- More than 90% of respondents are Black African women.

- **Age**
  - 43% 35-44 years
  - 34% 45-54 years
  - 16% 55-64 years
  - 7% 65 & above years

- **Education**
  - 31% Completed matric
  - 36% Completed tertiary education
  - 0.5% Completed Grade 7
  - 0.5% Some secondary schooling
  - 0.5% Some primary schooling
  - 0.5% No formal schooling
  - 0.5% Other

- **Location**
  - 43% Urban township
  - 33% Rural village
  - 8% Town CBD

**n=205**
Figure 3-2: Demographic background of youth SMME owners
Firm characteristics

In terms of business sectors of both the SMME groups, 19% of women SMME owners advised they were in the retail trade sector, the most of any category, followed by the hospitality sector with 17%. Only 11% (7% and 4% respectively) of youth SMME owners indicated to operate in these two sectors. The highest proportion of youth SMME owners indicated to operate in the services sector with 22%, including activities such as repairs, security, financial and cleaning services, while only 12% of women SMME owners operate in this sector. However, the lowest proportions of both SMME groups were found in the mining & quarrying, transport, utility services and industry goods sectors, among others. The results indicate that both women- and youth-owned SMMEs are not concentrated in higher value-added industries.

There is no significant difference between women and youth SMME owners in terms of annual turnover. The majority of these SMME groups typically generate the lowest turnover annually. More than 60% of both women and youth SMME owners surveyed responded to generate a revenue of under R240,000 annually. This is coupled with the fact that 41% of youth-owned SMMEs have been in operation for just 3-5 years, while 38% less than three years. Only 21% of youth-owned SMMEs have been operating for over five years. On the other hand, 39% of women-owned SMMEs have been in existence for over five years, 36% for 3-5 years and 25% for less than three years. Furthermore, both women and youth SMME owners employ fewer people permanently and temporarily. Fifty percent (50%) of women SMME owners surveyed employ only one permanent (including owner/partner) or temporary person, while 32% and 39% employ between 2-5 people permanently and temporarily respectively. Similarly, half of the youth SMME owners employ only one person permanently, while a high proportion (58%) employ 2-5 people temporarily. These results suggest that SMMEs owned by both women and youth in the country may currently be contributing less to local employment and economy.
Figure 3-3: Business Profile of women-owned SMMEs
Figure 3.4: Business Profile of youth-owned SMMEs

### Youth-owned SMMEs: Business profile

#### Industrial sector
- Utility services: 1%
- Transport: 1%
- Mining/quarrying: 1%
- Wholesale: 1%
- Education: 1%
- Industry goods: 2%
- Healthcare & social services: 2%
- Hospitality: 4%
- Telecommunication: 5%
- Retail: 7%
- Agro-processing: 7%
- Construction: 11%
- Other: 11%
- Consumer goods: 13%
- Agriculture: 22%

#### Type of activity
- Offers a service: 55%
- Sells a product: 21%
- Produces & sells a product: 13%
- Produces a product: 11%

#### Annual turnover
- Less than R240,000: 70%
- R241,000 - R500,000: 15%
- R501,000 - R1 million: 11%
- R1 million - R5 million: 3%
- R5 million - R10 million: 1%
- R10 million - R50 million: 1%

#### Employment size
- Permanent employees (incl. owners/partners)
  - 1 employee: 7%
  - 2-5 employees: 4%
  - 6-10 employees: 39%
  - >10 employees: 50%

- Temporary employees
  - 1 employee: 11%
  - 2-5 employees: 14%
  - 6-10 employees: 58%
  - >10 employees: 17%

#### Years of operation
- >5 years: 21%
- 3-5 years: 41%
- <3 years: 38%

n=210
3.2 Status and Performance

This Sub-section provides an overview and performance of the active women-and youth-owned SMMEs, including those failed (no longer operational) as well as those in idea-stage (not yet operational). The results are drawn from the telephonic survey, inputs received during the Seda-organised stakeholder engagement workshop, and focus group discussions with women and youth SMME owners.

3.2.1 Status distribution of responding SMMEs

Based on the telephonic survey among women and youth SMME owners, three types of SMMEs were found. These include those active, failed and those still at the idea-stage.

The results captured here reflect the status of 270 potential, current or previously women-owned businesses and 286 youth-owned businesses. The distribution of these different stages of businesses interviewed are illustrated below:

![Figure 3-5: Business Status](image)

3.2.2 Performance of active SMMEs

**Motivation/Drive for Starting a Business**

In terms of motivation or drive to start a business, the majority (71%) of respondents representing women business owners indicated that it was out of necessity (push-factors) such as the need for an income or employment. Approximately 39% of women owners indicated that their motivation was opportunity driven (pull-factors) – to seize or take advantage of an identified market opportunity.

Among the youth SMME owners surveyed, the results indicated that the most motivational factors include that they want to be “one’s own boss” (51%), “to gain employment or an income” (46%) and “seize the market opportunity” (41%). This scenario suggests that both women and youth are pushed into entrepreneurship mainly by the need to survive socio-economic harsh realities. As it has become evident that the culture of entrepreneurship among these two groups can be defined by necessity-driven entrepreneurship, as opposed to the pursuit of an opportunity or aspiration, this also implies they contribute very little to lift their economy.
Respondents were asked to indicate the premises from where their business is undertaken. Most women (54%) and youth (61%) SMME owners surveyed indicated running their business from home rather than from a commercial property office or factory plant. The main reason indicated is because it is considerably cheaper than running a business in rented facilities.

These results are set out in the graph below:
As indicated in the profile sheets of women and youth-owned businesses, most of these SMMEs are considered young in terms of years operational. In line with this, most of these SMMEs only employ one or two persons on a permanent basis. In terms of employee turnover/stability, more than half of women and youth-owned businesses (55% and 58% respectively) indicated that the number of employees has remained the same since their business started. The most common reasons for not experiencing an increase in employee numbers put forward included lack of profit, business not able to grow, unable to find contracts, high competition and substandard equipment, tools, or facilities.

**Employee Turnover/Stability**

As indicated in the profile sheets of women and youth-owned businesses, most of these SMMEs are considered young in terms of years operational. In line with this, most of these SMMEs only employ one or two persons on a permanent basis. In terms of employee turnover/stability, more than half of women and youth-owned businesses (55% and 58% respectively) indicated that the number of employees has remained the same since their business started. The most common reasons for not experiencing an increase in employee numbers put forward included lack of profit, business not able to grow, unable to find contracts, high competition and substandard equipment, tools, or facilities.

**Business Annual Turnover**

From the respondents, approximately 48% of youth SMME owners surveyed indicated that their annual turnover has increased since their business started.

The most common reasons for this include client & customer growth, more tenders and high product demand.
Among the women SMME owners, 39% surveyed experienced decline in their annual turnover.

These women indicated that a lack of clients/tenders, high competition, lack of proper equipment, poor location and expensive business premises as the main reasons for seeing a decline in turnover.

**Reasons for decline**

![Lack of access to market/poor location](image)

**Current Level of Performance**

In terms of the current level of performance for women- and youth-owned SMMEs, 44% of women and 38% of youth SMME owners surveyed indicated their businesses are struggling. This has also been confirmed by women and youth SMME owners in focus group discussions as well as workshop stakeholder participants.

According to the stakeholders, there is a higher failure rate of both these SMME groups compared to their male and senior/older counterparts. A range of factors have been discussed to explain these differences.

The stakeholders affirmed that lack of financial capital, inability to access market opportunities, lack of access to support infrastructure and lack of networks are important factors contributing to this. On the other hand, the focus group participants indicated, compared to their male and senior counterparts, they do not enjoy the same support and opportunities, mainly due to age and gender discrimination. Furthermore, on the debate centred on whether both women and youth’s decision to enter high-profitability and valued sectors is driven by constraints or preferences, both focus group participants and stakeholders argued that older men in these sectors have more resources and definitional power to enforce discriminatory practices, policies and ideologies, which points more to a constraint-driven factor.

**Failed SMMEs owned by women and youth**

Of the total sample, approximately 16 women- and 22 youth-owned SMMEs indicated that their businesses have failed – which amounts to approximately 7% of all respondents.

Among the failed women SMME owners surveyed, 50% indicated to have succumbed from business failure within a 1-2-year period of operation, while 33% after two years.
Fifty-six percent (56%) of former youth SMME owners surveyed indicated to have failed within 1-2 years of operation, while 27% less than a year. The results imply that the majority of women- and youth-owned SMMEs in South Africa that fail, collapse within the first two years of inception.

In terms of business exit reasons, 50% of former women SMME owners surveyed cited poor financial management skills and poor support from government and support agencies as the main reasons for failure, while 38% indicated a lack of capital or insufficient operating funds. Among the former youth SMME owners, common reasons cited include poor support from government and support agencies (58%), insufficient capital (41%) and poor location (36%).

Prospective women and youth business owners: Businesses at the idea stage

During the process of interviewing women and youth-owned SMMEs, it was realised that a considerable number of the population (Women and youth Seda clients for 2015-2018) consist of individuals that were still at the idea stage – they had not actually started their business yet. For women, this amounted to about 18% (49 individuals) of all persons contacted, and for youth, 19% (54 individuals).

These individuals that were still at the idea stage (pre-start-up) were asked to indicate the reasons for this. The most common reason among women and youth is difficulty in accessing/securing finances to start a business. This is followed by a lack of financial and business management skills among women; and lack of mentorship & guidance as well as lack of access to inputs & resources among youth.
4. Unique and Specific Challenges of Women and Youth-owned SMMEs

This Section of the report sets out the unique and specific challenges experienced by active women and youth SMME owners. The information presented here is drawn primarily from focus group discussions with women and youth SMME owners as well from the survey results gained from the telephonic interviews.

4.1 Internal and External Influences on Business

The business environment is influenced by both external (exogenous) and internal (endogenous) influences. The external influences include those factors over which the business has very little control. The main external influences on a business can be social (e.g. cultural beliefs, social or family attitudes), political, legal, institutional, competitive situation and changes in the market. The internal influences include those factors over which the business has some degree of control, such as resources (e.g. information and human), management and business culture, confidence or entrepreneurship characteristics. Women and youth SMME owners, in general, are negatively affected by such external and internal influences.

The findings in this section is supported by the literature review. Both women and youth business owners in South Africa often lack life skills associated with a successful entrepreneur. For women, this may stem from being subject to lower status in their societies, while for youth it may stem from a lack of experience and social support.

WOMEN SMME OWNERS

Fear of failure and lack of confidence: The majority of women SMME owner indicated they fear taking risks and many would rather wait and bear the consequences than risk pursuing something with inherent uncertainty. Some of them indicated that they believe that women in general have lower levels of hubris than men — i.e. they are less likely to be overconfident and have no competitive aggressiveness. Others reported they are much less likely than men to try to start a business. This is because they are less encouraged by success and more discouraged by failure. For example, what they fear is the “disapproval”. Lack of adequate approval or an uninviting stance can make them feel small or doubtful starting a business.

The women participants also raised the point that they lack confidence because there are few or no female role models (successful businesswomen). Some said having direct interaction with a role model would actually give them confidence or means to scale up their businesses. Furthermore, the focus group participants indicated that their self-confidence and doubt also get affected when reaching out for help and assistance from bigger businesses of which in most cases are male-owned/managed. They always get let down or they want something in return for themselves for offering help.

Negative social attitudes/rejection: Influences of social structures affect women’s access to entrepreneurial opportunities. The focus group participants indicated that views held by society on the traditional roles of women as just “wives or mothers” impose negatively on their entrepreneurial endeavours as they are not taken seriously. Those coming from family business also indicated that they are not often groomed to take over the family business as they are expected to be focused on raising children and looking after the household.
Negative attitudes from other women: The focus group participants have indicated that there is a lot of “pull her down” syndrome amongst women. Based on their views, women are often not supporting and celebrating each other’s achievements and successes. When a woman finds her way to the top, other women do very little to support her. They have further indicated that they face a very different cultural environment from other women, especially in rural settings. If they avoid traditional roles by running businesses instead of taking care of the family, they are shamed and disrespected by other women.

Lack of family support: From the focus group discussion and telephonic interviews, it was indicated that women often experience limited moral and psychological support from families, and in particular their husbands, when they choose to become an entrepreneur. In this regard, male family members still hold traditional and patriarchal beliefs in that certain roles and tasks are best reserved or suited for men, or that women do not have the capabilities to fulfill these functions. These women reportedly also experience little assistance from husbands with the running of either homes or their wives’ businesses, resulting in women suffering role overload. Where women business owners do become successful, there is an expectation from family members that the incomes from the business be shared or used to “buy groceries” for the family, failing to understand that such incomes need to be reinvested into the business.

YOUTH SMME OWNERS

Lack of entrepreneurial mindset: The youth focus group participants and survey respondents attributed much of business failures to lack of the entrepreneurial mindset. They indicated that they are often not equipped with the entrepreneurial skillsets, mainly due to the institutional factor. For example, they feel that the current South African education system does not offer entrepreneurship education in schools for pupils to be groomed from an early stage. In other words, there is a lack of an environment which nurtures an entrepreneurial mindset at an early age in South Africa.

They have also indicated that not everybody is entrepreneurial and able to push the business to the next growth phase to create jobs. Some reported that they started a business for wrong reasons. These reasons highlighted include “getting rich or famous” or because “everyone else is doing it”, with no vision or careful planning.

Lack of confidence/self-motivation: The youth participants indicated that they tend to be discouraged to run a business when they are turned down. For example, they reported that when they seek assistance and do not get any, it leads to self-doubt and low self-confidence. They also tend to be demotivated when they get let down or overlooked. They believe that this is usually because of their age and/or the colour of their skin. Particularly, young female participants in the focus group indicated they often receive bad attitude (lack of respect) from their employees due to their age and gender.

Lack of family support: The youth participants feel that if they are more entrepreneurial than their parents then they do not get their support. They indicated as their parents are conservative or non-entrepreneurial, they are discouraged from becoming entrepreneurs or business owners. They do not get full support from parents as they rather believe they have to “focus on education and getting a regular job” with stability and insurance.
4.2 Stereotypes and Discrimination

Stereotypes determine people’s beliefs about themselves and others. In other words, they are pervasive or widely held views that shape beliefs about one’s own and others’ abilities. Gender and age stereotypes, in particular, may hold women and youth SMME owners back. They can even cause them to question their own abilities. In addition to this, gender- and age-based discrimination, which is a preference or prejudice toward one gender or age over the other, can also take on different forms in the SMME support space.

The findings from the literature review supports the findings from the focus group discussions. As discussed under section 2.3.2, women business owners experience discrimination and gender bias on various levels – ranging from low credibility to expectations towards domestic responsibilities, while youth are often subject to bias based on their age and perceived inexperience.

**WOMEN SMME OWNERS**

*Stereotypes and prejudice in male-dominated industry:* The women focus group participants and survey respondents reported that they often lack confidence in their ability to compete in sectors that men are stereotypically believed to perform more strongly in. These include sectors such as agriculture, mining, transportation, construction and STEM fields. As noted from the survey, there is a very low proportion of women SMME owners in these sectors compared to their male counterparts. According to the women participants, this is reinforced by the socialisation processes in home, school and society. They feel that buying into these stereotypes holds them back as they count themselves out of pursuing goals in these sectors, they believe they won’t excel in, despite having the skills to succeed. They also indicated they are often the victim of overt discrimination from some of the older, more conservative males who do not want to acknowledge their role in these sectors. They often get questioned and not taken seriously.

"As a women business owner in a male-dominated industry of waste management, earning respect has been a struggle."

"The recycling business that I am in is white male-dominated and I saw an opportunity when I entered this sector, but now my business is declining because as a black woman I am looked down upon and not taken seriously."

*Longstanding cultural traditions:* The women participants have strongly indicated that culture as a collection of traditional essentials and attitude norms causes a lot of them to seriously struggle more than men to confirm their specialisation as a business owner to all business partners, and often not taken seriously. They cited that in the African society, for example, women are rather expected to take care of their children and parents, making it much harder for them to take an active role in running a business.
Men take advantage of successful women-owned businesses: The women participants feel that men still think they can take advantage of women business owners because they are not historically the “type” to own businesses. Others indicated that want their businesses to be owned by them because they are more “trusted” (especially by investors, funders, lenders) when it comes to business.

“My company is a cleaning service business and it did well. I was approached by a male who was in a better financial state than I was in and offered to buy me out instead of assisting me or partnering with me in order to grow the business.”

“It’s hard to find clients and tenders in my security company because it is a male-dominated industry and males often want to buy my company because I have a good profile.”

“Birds of a feather flock together”: The women participants feel that in terms of business opportunities men tend to create network or partner with people of their own “tribe” (men), neglecting them. As a result, they feel that they lack access to influential formal and informal networks; and therefore, lack access to essential information and assistance provided by networks.

“Men are always willing to help fellow men out with whatever support they need but the same sentiments are not shared when it comes to assisting women on their endeavours.”

YOUTH SMME OWNERS

Age discrimination from society and family: The youth participants indicated that they tend to get negative feedback from society. In general, they are not expected to be in business or in high value sectors and struggle to be taken seriously because of their age. Young women business owners, in particular, feel that they are not expected to be in male-dominated sectors such as automotive sector because society believes they lack the capability. The youth also indicated that as parents do not view entrepreneurship as a career path for them, it decreases their awareness of entrepreneurship as a career.

“We don’t get taken seriously as the youth because even though we may have good business ideas, we get overlooked and discriminated against and are often put on hold while other races are the ones that get favoured.”

“We also get discriminated against by other black people and they don’t assist us in any form or nature.”

“I don’t see any changes from the problems of being discriminated against because people see that you are young and judge you based on that, even when your work is good, complete and credible. Especially when you are a youth and don’t have any connections or related to someone important.”

4.3 Enabling Environment and Bureaucracy/Red Tape

Government bureaucracy, in particular, is often defined as “superfluous and cumbersome administrative barriers in various forms that obstruct normal investment and business activities in the domain governed by related
bureaucrats and officials in charge” (Lou and Junkunc, 2008: 134). However, bureaucracy and excessive regulation, commonly known as ‘red tape’, are still key elements among the hurdles SMME owners are faced with in general. There are numerous forms of administrative barriers, including excessive 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 unsupportive attitudes from government department and institutions, among others.

**WOMEN SMME OWNERS**

*Lack of monitoring & evaluation of government strategies and poor guidelines:* The women participants reported that there are government strategies in place for women owned SMMEs but they felt that are not monitored & evaluated if implemented correctly since are not effective. Another point raised by them is that proper documentation in order to register for tenders or supplier databases are often unspecified. Therefore, there is lack of information on this and compliance with tender specifications and conditions are not properly specified.

*Corruption in public procurement and delayed processes:* The women participants felt that there is no equal footing that ensures equal treatment amongst bidders. They indicated that there are still covert barriers specifically in winning government contracts. These covert practices are subtle, they have to do with status expectations or gendered roles.

“The tenders that I got always get dragged once the official realises that the owner of the business is a woman, and then they re-advertise the tender that I got. And this is often done by our local municipalities.”

“I applied at EDTI via Seda in February 2019 and they said they wanted specific documents of which I produced, and then my company was short-listed, and I went through the selection rounds, but they haven’t given me feedback even when I call them.”

**YOUTH SMME OWNERS**

*Bureaucratic procedures excessively complex & bias:* The youth participants strongly stressed that filling out forms to supply services to government is long and complex. They indicated that often administrators in government programmes do not understand the programmes themselves and give them the run-around.

“Within Seda, for example, their supplier development programme has excessive criteria, too unrealistic to access support.”

Furthermore, they mentioned that the tender process still appears to be easily manipulated or contains discriminatory procurement practices. Some of the participants even said that tenders are rarely awarded to them as they are “not taken seriously to manage projects” or get the work done. Red tapes such as compliant certificates and other documentation also been indicated to be highly limiting because of compliance costs.
4.4 Skills and Training

Skills development through training provides the knowledge, skills and abilities to eliminate obstacles hindering productivity and finding innovative ways to overcome challenges. Lack of financial skills, lack of entrepreneurial and business skills, among others, hinders growth for SMME owners, leading to their business failure. Essential skills and knowledge are required to move the business forward.

WOMEN SMME OWNERS

Lack of financial literacy: In terms of business skills development, financial illiteracy appears to be one of the main challenges affecting women SMME owners. As noted, most former women SMME owners exited their businesses due to poor financial skills. The women participants in focus groups indeed indicated that they have limited financial skills or do not have management skills such as bookkeeping, inventory management, personnel management. As a result, they end up losing track of their daily transactions and cannot account for their expenses and profits at the end of the month. They also perceived controlling expenses, cash flow planning and forecasting as major problems.

Lack of training opportunities and tailored training: The women participants, particularly from rural areas, indicated that they lack access to training essential for business growth due to no training facilities available. Other women indicated that programmes that are structured to assist women business owners with skills, training or mentorship usually do not get to them because they are not advertised enough for them to know; and sometimes getting any form of assistance to access these programmes is close to impossible unless one knows someone from the inside. Others indicated that some programmes are not industry specific.

“We often get instances where programmes are offered for skills and training, but they actually end up going to people from outside our community, and women are often last or not considered at all.”

Limited skills in high value related industries: Some of the women participants in focus groups indicated not operating in male-dominated industries due to lack of or no relevant experience and skills. They emphasised that the typical business that women are in is often small, necessity-driven and consumer-oriented with few lower growth projections. The perceptions, therefore, about the skills needed for this type of business are different from those that involve more innovation, growth, and in industries with capital or knowledge intensity.
Access to Finance and Funding

Access to finance is identified as a key element for SMMEs to succeed in their drive to build productive capacity, to compete and to create jobs. Women and youth-owned SMMEs, however, find it increasingly hard to secure funding from both public and private financial institutions for various reasons, to take their next steps towards progressive sustainable growth. Without financing, they risk being left behind. This is also perceived to be the most significant obstacle which hinders their growth and one of the most common causes of SMME failure.

From the literature review, it was found that access to finance and funding has been reported by many sources as a major challenge. For women in South Africa, literature indicated that lack of awareness, gender bias and lack of collateral due to being married within community of property are major aspects, while for youth it relates more to the lack of credit history, lack of experience and the perceived risk factor associated with youth (see section 2.3.2).

Both women and youth business owners indicated that they depend on their own financing sources such as savings or assistance from family.
WOMEN SMME OWNERS

Unrealistic expectations from government financial institutions: Feedback from the women participants in focus groups was that there are often unrealistic expectations when it comes to applying for funding or assistance from government institutions. For example, they mentioned that normally a public/government financial institution just like a private one, would require a solid/long track record or credit history such as minimum of one-year experience in business before being considered for funding or a loan. They reported that therefore it becomes a problem if one is an emerging business owner or new entrants into the industry.

Legal marital status: Many of the focus group participants indicated that they are married within community of property, which means that all of their assets, such as immovable property, are merged into a single estate. As such, these women are unable to put their assets up as surety without their husband’s consent. In many cases, the men do not support their wives in their business ventures, and/or are unwilling to take on the risk. This leaves these women unable to access finance, even if they may have assets.

Sexual harassment and favours to access finance: As indicated by the women participants, among the challenges that they experience in accessing finance is the sexual advances from men who represent government offices. They cited that some government officials demand sex before granting them a loan; and if one stands firm against such behaviour, then finance is not granted.

Some other women participants have reported that men SMME owners generally get more opportunities when it comes to assistance and obtaining funding. They indicated that men SMME owners often have to do things “through the back door” while women SMME owners have to do favours for male officials in financial institutions.

Lack of funding and support for women in male-dominated industries: The participants have indicated that, compared to men SMME owners, women SMME owners face more difficulties obtaining loans and support from venture capitalists. They have mentioned that they are more likely to start a business out of the home and more likely to be in area like retail, where venture capital and bank loans are not as common. Other women participants, especially operating in male-dominated sectors, criticised venture capitalists because they tend to invest in businesses run by people of their own “tribe” [men]. They have pointed out that they often have greater difficulty accessing finance than men in these sectors because they are not taken seriously based on their gender. They felt that venture capitalists, which nearly all are men, do not think or feel comfortable that women SMME owners can deliver. They also felt that they are not given equal opportunity or a chance as men SMME owners to prove their competence.
4.6 **Infrastructural Support**

Provision of excellent infrastructure creates an enabling environment for SMMEs to grow/thrive. Particularly, this includes infrastructural support such as land, buildings, energy and water supply, transport, road, rail and digital connectivity that enables trade or access to markets. The deficiency in the provision of infrastructure can greatly have an impact on the production processes in the business sector, especially the ability of the SMMEs to compete in the market.

From the literature, the lack of infrastructure has been identified as a challenge that youth and women entrepreneurs face, particularly those in developing countries. This relates both to physical and virtual (ICT) infrastructure. The lack of access to infrastructure was also raised as a major concern for those women and youth business owners that took part in the focus group discussions.

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**YOUTH SMME OWNERS**

**Lack of funding due limited experience:** Accessing finance or start-up capital was found to be the major impediment to youth participants in focus groups due to their lower level of business skills, lack of entrepreneurial experience, limited credit history and little repayment history or records of profitability. They indicated because they lack collateral, financial institutions (commercial banks and DFIs) therefore are reluctant to give them loans or grants. They also felt that young age is sometimes perceived as a barrier in some industries because of a lack of experience or trust.

**Taking advantage of (especially) young women:** Young women participants, in particular, indicated that they are forced to walk away from certain business deals because men in financial institutions do not want to take note or give any attention to their business that is presented to them, without them wanting something in return.

**Ineffectiveness of development agencies:** The youth participants reported that national development agencies such as NYDA (National Youth Development Agency) are not effective for them due to “too many requirements” and “no or little guidance for the way forward”. They indicated that NYDA officials sometimes steal their business ideas when approaching them for funding. Due to the fear of business ideas being stolen, they are sceptical and unlikely to share details or sensitive information with such institutions.
### Markets and Competition

From the literature review, it was highlighted that addressing barriers to market entry and ensuring effective participation of SMMEs in established value chains, can play an important role in contributing to their growth. Inadequate access to profitable markets is among the main challenges that inhibit SMME growth. Furthermore, unfavourable & unregulated competition from larger businesses also hinders their growth from accessing markets in specific industries. This was illustrated in the feedback received from the focus group discussions.
**WOMEN SMME OWNERS**

**Lack of information to access market:** The women participants have highlighted that they tend to be not aware of the regulations and key technical requirements to establish market opportunity, as suppliers, with larger businesses. Therefore, it becomes a challenge to enter into value chains. The participants, engaged in the agricultural sector in particular, indicated initially they did not know that they must have certified organic products in order to supply in specialised stores, large supermarket chains, specialised restaurants or special organic markets. They admitted that they have limited knowledge on certification system or relevant regulatory bodies for products such as the Organic Agricultural Production and Processing (OAPP) by the South African Bureau of Standards (SABS).

“When I try to supply my goods to supermarkets, sometimes I can get rejected because I did not meet their requirements. But I think that’s because I did not know about other relevant information required”

**Competition from men in male-dominated sectors:** The participants indicated that the national market is being dominated by male business owners. They pointed out that men business owners have full control of valued sectors, ranging from banking, transport, commercial services to the manufacturing industry. Therefore, they experience a challenge in terms of actually having to compromise the sector that they want to be in because it is male dominated.

“It depends on the nature of the business, for example, a sector like construction will be very tough for a woman to penetrate it because it is male-dominated, as opposed to a sector like hair and skin care, which is women-dominated”

**YOUTH SMME OWNERS**

**Lack of information to access market:** The youth participants indicated they are not aware of the certification processes by certifying bodies in order to trade with large businesses. Due to a lack of information on different types of compliance such as trade compliance, they pointed out that they lose opportunities or find it difficult being awarded a contract with a big business because of the “red tape” that has to adhered to.

**Inaccessibility of markets:** Some of the youth participants reported that competition from larger businesses in sectors, hinders the success of their businesses. As a result, they are unable to have access to or penetrate such industry markets. They also experience a challenge in terms of entering the sector that they want to be in because it is “older male dominated”.

“We are in engineering and are in competition with big companies that have been around for many years. So we decided to partner with someone experienced. The profit that we get often goes to maintaining other factors in the business and the business often does not grow.”

“As young business owners we often don’t have required credibility as we are still new, because we don’t even get an opportunity to prove ourselves in the market”
5. Key Findings

Based on the information gathered and insights gained, this section puts forward the key findings for this study.

Women and youth-owned businesses face the same challenges faced by any and all SMMEs in South Africa. However, the ‘nuances’ of these challenges differ in how it is experienced, based on the individual situation and location, which may be influenced by aspects such as age and/or gender.

The cause of various challenges faced by women and youth SMMEs, and the way in which women and youth experience many of these challenges, are deep rooted. Many issues stem from cultural beliefs and norms, as well as from South Africa’s unique history. These challenges need intervention beyond purely business or financial assistance, but would require broader social change and awareness of human rights, as well as normalising entrepreneurship as a career prospect.

Responding women and youth SMMEs (Seda clients) are low-revenue businesses and low job creators, earning, on average, a turnover of less than R240 000 a year, and employing, on average less than 3 persons (including themselves).

Responding women SMMEs are mainly found in the retail trade sector and hospitality sector, while the youth SMMEs are concentrated in the services sector and the agriculture sector.

Through interactions with women and youth SMME owners, it became clear that most found it difficult to understand or recognise business opportunities. When directly asked what business opportunities they see for themselves/their business, most could not answer, or said they were not sure. When considering that most of the SMMEs that were engaged were necessity driven, this makes sense – and reiterates that a definite distinction exists between a business owner and an entrepreneur.

Both groups (women and youth SMME owners) are subject to being stereotyped, most have some degree of self-doubt/lack of confidence, most don’t possess an entrepreneurial mindset (they are necessity driven) and many indicate that they do not enjoy family support.
Both groups (women and youth SMME owners) reported that the South African business environment is not conducive. Most notable challenges include excessive red tape, and compliance criteria, corruption in public procurement, government turn-around times and being subject to sexual harassment when dealing with decision making officials/individuals.

Women and youth-owned businesses recognise that government support programmes lack monitoring after implementation/receipt. A great need for business advisors to visit these businesses after receiving support (both financial and non-financial) to gauge whether the SMME is applying the support gained effectively and whether additional support or adjustment to support is required, was identified.

Women and youth SMME owners indicated that the greatest shortcoming with government support and training, is that it adheres to a “one size fits all” approach. Many are subjected to various forms of the repeated training when seeking support, which may not speak to the actual need of the specific business.

Women and youth SMME owners identified the lack of access to finance and funding as the single greatest challenge that they face. Being rejected for funding leaves many despondent and leads to most questioning the ultimate success of their business. Most indicated that they struggle to access funding due to a reported lack of formal business experience, limited credit history and lack of collateral. Many indicated that this is a vicious cycle, as to be awarded a contract, you need to show you have resources to fulfill it, while in order to acquire resources, you need to show that you have been successful in delivering your products or services.

Through the interactions, it has been derived that many SMME support programmes are mere duplications of one another, and in many cases, the support received from different government support agencies are not aligned. This results in great frustration and results in SMMEs being stuck at a specific stage of their business growth, due to not receiving the appropriate support. Reportedly, there is a lack of pathway or coordinated effort among different agencies to assist SMMEs in a clear, holistic journey.
Many women and youth SMME owners indicated that they are *unable to afford required infrastructure, and in particular relevant business premises with the appropriate equipment.* Many acknowledged that government subsidised co-working spaces exist, but that they cannot access it due to their current location, or stringent criteria they have to adhere to. This was particularly highlighted by SMMEs operating in rural settings.

It was found that many of the women and youth SMME owners, especially those operating in rural settings, *lack basic business management understanding or knowledge.* For many of them, this further aggravates their *inability to access information, to understand their market or recognise opportunities.* On top of this, many new business owners are unaware or ignorant of the potential technical or environmental specifications and regulations that they need to adhere to for their product or services to be acceptable to the market.

Reportedly, women and youth SMME owners feel *that big businesses squeeze them out of the market* and are *unwilling to cooperate or collaborate with them.* There is also a *lack of support from big businesses* in the form of mentorship, advice and incubation towards women and youth-owned SMMEs.
6. Opportunities for Women & Youth-owned SMMEs

This section stems from the inputs gained from women and youth SMME owners (through both focus group discussions and surveys), inputs from Seda stakeholders in the business support eco-system and broader research on developmental trends and future outlook for business in South Africa. Opportunities have been identified both from a perspective of areas for women and youth SMME owners to take advantage of, as well as areas where these SMMEs can be better supported. It furthermore reflects on the key findings, and opportunities that stem thereof.

6.1 Technological advancements and the 4IR

As stated previously, both the global and local economy has experienced many drastic changes in recent times due to technological advancement and our reliance thereof. This means that many new opportunities in previously non-existent industries are emerging and that many opportunities to overcome pre-existing challenges faced by SMMEs, can now be overcome (such as market reach, access to information etc.).

The following opportunities have been identified as areas to SMMEs, as well as opportunities for SMMEs to pursue in this regard, are set out below:

**E-COMMERCE**

E-Commerce (electronic commerce or internet commerce) refers to the buying and selling of goods and/or services using the internet. There are various advantages of using e-commerce as the primary way of doing business, especially if you are selling a product or providing a professional service. These include (but are not limited to):

- Reduced/no need for a physical location/store
- Reduced costs (monthly rent vs. hosting/subscription fee)
- Greater reach of potential customers (locational barriers reduced/diminished)
- Online stores are always “open” (customers can access the site anytime and buy when convenient to them vs. fixed operating hours of physical/traditional businesses)

**Table 6-1: E-commerce opportunities**

<table>
<thead>
<tr>
<th>Opportunities to support SMMEs</th>
<th>Opportunities for SMMEs to pursue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunities exist to support SMMEs through training owners on how to develop and manage an online store using free and pay (subscription or plug-ins) platforms such as Shopify, Wix, Squarespace etc.</td>
<td>SMME owners with the required knowledge (particularly digital native youth(^5)) can develop their own online store.</td>
</tr>
<tr>
<td>Opportunities exist to support SMMEs with funding the development/subscription of online stores.</td>
<td>SMMEs can make use of associated tools such as Google Adwords/Google Ads to ensure potential customers find their online store when searching on Google.</td>
</tr>
<tr>
<td>Opportunities exist to assist SMMEs in the application process (and if applicable, to become eligible) to become a seller on an existing e-commerce platform.</td>
<td>SMMEs can become sellers on existing e-commerce platforms such as takealot.com, Superbalist, Zando etc.</td>
</tr>
</tbody>
</table>

\(^5\) Digital native is a term referring to those that grew up in a time where technological advancements such as the internet and smart devices emerged (1985 and onwards).
**M-Commerce**

M-Commerce (mobile commerce) is a sub-form of E-commerce and refers to buying and selling of goods and services via a mobile, hand-held smart device such as a smartphone or tablet. This eliminates the need to access online platforms without a desktop or laptop computer and includes formats such as:

- In-app purchasing (providing an option to upgrade aspects of free apps for a fee)
- Mobile banking (commercial bank apps)
- Online-store apps (such as takealot.com, Superbalist, Zando, Mr D Food, Uber Eats etc.)
- Digital wallets (Zapper, SnapScan, Masterpass etc.)

**Table 6-2 M-commerce opportunities**

<table>
<thead>
<tr>
<th>Opportunities to support SMMEs</th>
<th>Opportunities for SMMEs to pursue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunities exist to assist businesses (especially women-owned SMMEs that may be digital immigrants)⁶ to make use of m-commerce offerings to enhance their business. This may include things like the use of digital wallets for client/customer transactions, using apps to help them manage their business (project management, bookkeeping, invoicing, digital incubation etc.).</td>
<td>Opportunities for SMMEs, and in particular youth SMME owners (digital native population)⁷ to develop applications to provide a solution or to ensure greater efficiency of existing products/services/processes.</td>
</tr>
<tr>
<td>Opportunities exist to assist businesses in acquiring affordable mobile devices to access m-commerce as opposed to expensive laptops/desktops or point of sale/credit card facilities.</td>
<td>Opportunities exist for SMMEs to make use of m-commerce for client transactions (digital wallets), which is a cost-effective alternative to point of sale/credit card facilities.</td>
</tr>
<tr>
<td>SMMEs can use these formats to gain greater client or customer reach. Existing platforms can be accessed in this regard (online stores, social media etc.).</td>
<td></td>
</tr>
</tbody>
</table>

**Unmanned Aerial Vehicles (UAV)/Drone Technology**

Unmanned Aerial Vehicles (UAV), better known as drones, are becoming increasingly useful in various applications. Drones provide solutions with regards to essential actions that need to be executed by particular businesses, but that may be challenging due to geographical and transportation constraints. Drones also bring about new innovations and opportunities for business development.

**Table 6-3: UAV Opportunities**

<table>
<thead>
<tr>
<th>Opportunities to support SMMEs</th>
<th>Opportunities for SMMEs to pursue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunities exist to support SMMEs through providing drone technology as a shared service. This is especially applicable to cooperatives in the agriculture sector (seeing that a large proportion of Seda’s youth SMME clients fall within the Agriculture sector) for the following applications:</td>
<td>As mentioned earlier (section 2.3.2), opportunities exist for SMME development, using drones as the primary tool for execution in areas such as:</td>
</tr>
<tr>
<td>▪ Crop monitoring (for diseases, pests and/or irrigation)</td>
<td>▪ Pesticide spraying services to farmers</td>
</tr>
<tr>
<td>▪ Pesticide spraying</td>
<td>▪ Surveillance and site monitoring (mining, construction, agriculture)</td>
</tr>
<tr>
<td></td>
<td>▪ Wildlife conservation/protection</td>
</tr>
<tr>
<td></td>
<td>▪ Search and rescue operations</td>
</tr>
<tr>
<td></td>
<td>▪ Photography and filming</td>
</tr>
</tbody>
</table>

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⁶ **Digital immigrant** refers to those born prior to these advancements that had to familiarise themselves with these technological advancements as adults.
6.2 National developmental trends and key priority focus areas

A number of opportunities exist for women and youth SMMEs when considering the developmental trends evident in South Africa. The following trends and subsequent opportunities have been identified:

**Green Economy**

South Africa is reliant on “dirty” energy generation – cheap coal power which has a negative environmental impact. To address these negative impacts, it is imperative that behavioural changes among individuals and businesses take effect.

These required behavioural changes and the drive towards the tackling of environmental challenges related to resource scarcity, waste management and climate change is not only necessary, but it provides a number of opportunities for SMMEs – both in terms of business ideas to pursue, and in the way these SMMEs are supported.

The green economy has also seen a drive towards responsible consumerism. In this regard, opportunities exist in pursuing practices that are environmentally conscious and/or explore niche markets. These include initiatives such as reduced resource practices (adaptation due to droughts), organic farming etc.

Opportunities to support SMMEs and for SMMEs to pursue, are set out below:

**Table 6-4: Green economy opportunities**

<table>
<thead>
<tr>
<th>Opportunities to support SMMEs</th>
<th>Opportunities for SMMEs to pursue</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Opportunities exist to assist businesses (especially those in the agriculture sector) in reviewing farming practices and to ensure the effective and efficient use of resources.</td>
<td>• Opportunities for SMMEs exist in pursuing businesses in the following areas:</td>
</tr>
<tr>
<td>• Agricultural businesses can be assisted in research and information about best practices and appropriateness of crops given the environmental conditions that they are located in.</td>
<td>▪ Renewable energy generation</td>
</tr>
<tr>
<td>• Opportunities exist in assisting SMMEs in producing organic produce in meeting the required standards acquiring the relevant certification.</td>
<td>▪ Recycling of waste</td>
</tr>
<tr>
<td>• Assistance in promoting recycling and assisting SMMEs in obtaining required licences.</td>
<td>▪ Energy efficiency technology (solar panel manufacturing and installation etc.)</td>
</tr>
<tr>
<td>• An opportunity exists to include responsible business practices as a training unit when engaging with SMMEs.</td>
<td>▪ Organic farming</td>
</tr>
<tr>
<td></td>
<td>▪ Reduced resource farming</td>
</tr>
</tbody>
</table>

**Infrastructure Development**

As a developing country, and given its unique history, South Africa invests a lot of resources in infrastructure development. Common infrastructural developments include:

• Passenger railway network upgrading
• Roads and bulk infrastructure
• Human settlement developments
Table 6-5: Infrastructure development opportunities

<table>
<thead>
<tr>
<th>Opportunities to support SMMEs</th>
<th>Opportunities for SMMEs to pursue</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Opportunities exist to promote and develop women and youth SMMEs in the rail industry.</td>
<td>• Opportunities for SMMEs to become suppliers to the proposed PRASA/Gibela rail manufacturing plant.</td>
</tr>
<tr>
<td>• Assisting women and youth-owned SMMEs to become equipped and qualified to supply their services to the government – especially in the construction industry.</td>
<td>• Opportunities exist for SMMEs in the construction industry to capitalise on the government preferential procurement policies.</td>
</tr>
</tbody>
</table>

RURAL AND TOWNSHIP REVITALISATION AND DEVELOPMENT

Given the extreme spatial disparity still prevalent in South Africa, rural areas and townships are underdeveloped and under-serviced compared to urban areas. As a result, a number of potential opportunities for SMMEs to deliver governments services projects are evident. These relate to:

- Service delivery
- Social services
- Transport services
- Property development
- Infrastructure development

Table 6-6: Rural and Township revitalisation and development opportunities

<table>
<thead>
<tr>
<th>Opportunities to support SMMEs</th>
<th>Opportunities for SMMEs to pursue</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Opportunities exist to promote and develop women and youth SMMEs in the social and public services space.</td>
<td>• Opportunities for SMMEs to assist the government in service delivery such as refuse removal and recycling initiatives.</td>
</tr>
<tr>
<td>• Assisting women and youth-owned SMMEs to become equipped and qualified to supply their services to the government.</td>
<td>• Opportunities for SMMEs in skills development and education space. These could include providing accredited training. In this way, skills in rural and township areas can be developed to ensure the upliftment of these communities.</td>
</tr>
<tr>
<td>• Opportunities exist to assist women and youth-owned SMMEs to become ‘tender ready’ – training on how to tender and what tender requirements entail etc.</td>
<td>• Opportunities could exist in areas such as supplying food to schools as part of the school feeding schemes or providing scholar transport etc.</td>
</tr>
<tr>
<td></td>
<td>• Opportunities exist for SMMEs in the construction industry to capitalise on the government preferential procurement policies, should these projects include infrastructure development and construction.</td>
</tr>
</tbody>
</table>

6.3 Trends in policy directives

Nationally, the government holds approximately 12% of the employment share, employing more people than the agriculture, mining, manufacturing, utilities, construction and transport sectors respectively. Additionally, the government is responsible for indirect employment through procurement procedures and government funded
development. Government is also a catalyst for development and business opportunities through policy directives that it puts forward.

To this end, a number of policy directives and government priorities create opportunities for businesses and new business development.

**Skills Development**

Given government’s stance on the 4IR and the need to adapt, and the fact that the minister of Higher Education, Science and Technology has been rallied a task team to provide advice on how to achieve readiness, opportunities exist within the Technical Vocational Education and Training space for (particularly youth-owned) SMMEs to be part of the solution to retrain and upskill the workforce.

This also provides an opportunity for women and youth SMMEs to embrace processes and advances related to the 4IR.

**Table 6-7: Skills development opportunities**

<table>
<thead>
<tr>
<th>Opportunities to support SMMEs</th>
<th>Opportunities for SMMEs to pursue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunities exist to use skills development to empower targeted SMME groups.</td>
<td>Opportunities to develop SMMEs targeted at reskilling and upskilling the labour force in relation to the changing nature of work (computer literacy, ICT and other technological and automated processes).</td>
</tr>
<tr>
<td>Opportunities for policy directives to coordinate and administer training and development interventions.</td>
<td>Opportunities for SMMEs to embrace and integrate advancements related to 4IR into business processes to ensure greater efficiency.</td>
</tr>
<tr>
<td>Opportunities exist to realign training provided by business support services to incorporate new skills and processes related to 4IR and the future of work.</td>
<td></td>
</tr>
</tbody>
</table>

**Leveraging Public Procurement**

Given that in South Africa, the Preferential Procurement Policy Framework Act (Act 5 of 2000) affords women and youth-owned businesses to compete fairly against larger firms for government tenders, by stipulating that a minimum of 30% of government procurement need to be purchased through SMMEs, a great opportunity exists for SMMEs to become government suppliers.

To this end, government departments and agencies should be encouraged to reach greater targets than stipulated in the Act and focus specifically on procurement from women and youth-owned SMMEs.

**Table 6-8: Public procurement opportunities**

<table>
<thead>
<tr>
<th>Opportunities to support SMMEs</th>
<th>Opportunities for SMMEs to pursue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunities exist to assist women and youth-owned SMMEs to become ‘tender ready’ – training on how to tender and what tender requirements entail etc.</td>
<td>Opportunities exist for SMMEs to supply their goods and services to government departments and agencies.</td>
</tr>
<tr>
<td>The opportunity exists to encourage government departments and agencies to aim for targets beyond 30% for women and youth-owned SMME procurement.</td>
<td></td>
</tr>
</tbody>
</table>
CORPORATE SOCIAL INVESTMENT (CSI) & ENTERPRISE DEVELOPMENT

A great opportunity exists for large private sector enterprises to support SMMEs as part of their Corporate Social Investment (CSI). A number of companies already have Enterprise Supplier Development programmes to establish and grow targeted SMME groups.

Table 6-9: CSI & enterprise development opportunities

<table>
<thead>
<tr>
<th>Opportunities to support SMMEs</th>
<th>Opportunities for SMMEs to pursue</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Opportunities exist to encourage more large private sector enterprises to support the</td>
<td>• Opportunities exist for SMMEs to apply to become a supported SMME through these CSI/ESD</td>
</tr>
<tr>
<td>development and growth of women and youth-owned SMMEs.</td>
<td>programmes.</td>
</tr>
<tr>
<td>• The opportunity exists to formalise and regulate CSI spending in large private sector</td>
<td></td>
</tr>
<tr>
<td>enterprises to focus on women and youth-owned SMME development.</td>
<td></td>
</tr>
<tr>
<td>• The opportunity exists for large private sector enterprises to collaborate with</td>
<td></td>
</tr>
<tr>
<td>government agencies and programmes in order to reach and support a greater number of</td>
<td></td>
</tr>
<tr>
<td>women and youth-owned SMMEs.</td>
<td></td>
</tr>
<tr>
<td>• Opportunity exist to assist women and youth-owned SMMEs to apply for these CSI/ESD</td>
<td></td>
</tr>
<tr>
<td>programmes.</td>
<td></td>
</tr>
</tbody>
</table>

Following the various opportunities identified for supporting SMMEs, and opportunities for SMMEs to pursue, the following section puts forward recommendations to mitigate the challenges and needs identified of women and youth owned SMMEs.
7. Recommendations

Sharing of Findings with Other Relevant Departments

Certain findings require intervention beyond the DSBD and Seda’s scope. These relate to challenges regarding stereotypes, bias and perceptions about women and/or youth business owners and entrepreneurship as a lucrative career path. The onus is thus on the DSBD and Seda to share these findings with other departments to inform their programmes and interventions. Departments to be consulted include:

Department of Basic Education

- Ensure socialisation about equality between women and men are instilled at primary school level and promoted as the norm.
- Introduce entrepreneurship into the basic education curriculum from primary school level, and make sure it runs through to secondary school level. This will assist in normalising the idea of becoming an entrepreneur and pursuing business opportunities. This will require curriculum to include basic businesses management and financial management skills, enabling school leavers to actively seek out opportunities for business development or to fall back on these skills when employment opportunities are scarce.

Department of Social Development and the Department of Women, Youth and Persons with Disabilities

- Promote equality between women and men as the norm through its interventions and emphasise the appropriateness and need of women and youth-owned businesses in job creation and social equality.

Greater Support for Those Still at Idea Stage

There is a need for targeted support for those still at the idea stage. Many prospective women and youth SMME owners are unable to or unsure how to access information to inform them of the demand or appropriateness of their business ideas. Many also lack the ability to identify an opportunity or may not know how to translate their ideas into a bankable business idea and/or business plan.

Many prospective women and youth SMME owners are under the impression that once a business has been registered, they are business owners, and then seek assistance from agencies such as Seda or Sefa. However, having a business on paper is not the same as having a functioning, performing business.

Targeted support is required to ensure that prospective business owners can formulate bankable business ideas to receive the required support to become successful.

Greater Emphasis on Basic Financial and Business Skills (Especially for Rural Clients)

Following from the previous recommendation, the need for emphasis on basic financial and business skills was identified among especially rural Seda clients. Many of these individuals lack basic business acumen and, in some cases, basic literacy. In this regard, a need for support to rural clients in the following forms are required:

- Opportunity identification and subsequent business planning
- Rudimentary numeracy skills
- Basic financial management
- Basic business management
- Assistance in understanding and adhering to legal requirements (especially for cooperatives that need to adhere to stringent and complicated rules)
• After-care in the form of on-site, in-person monitoring to assess the progress of these businesses after the specific intervention, and the application of skills learned.

HELP CLIENTS TO UNDERSTAND WHAT “THE MARKET” REALLY MEANS

It was discovered that many clients have a misconception with what is meant by “the market”. Subsequently, many business advisors and programmes provide inappropriate support as the term “the market” and “accessing the market” are understood differently. This leads back to the fact that many women and youth SMME owners (in rural areas especially) lack rudimentary business skills and business acumen.

Many business advisors and support programmes misinterpret the reported need for assistance to “access the market” as assistance required to export products. Anecdotal reports indicate that in some cases this resulted in individuals taken overseas or taken to attend export shows, while their businesses were not export-ready, and while many of them still did not understand what is meant by “the market”.

The DSBD, through its agency, Seda, should help clients understand what the market means, and that in simple terms it refers to the people with or the place where there is a need or demand for the product or service. Based on this understanding, appropriate support should be given to the individual in question.

RETIRED BUSINESS OWNERS AS MENTORS

In light of the fact that many of Seda’s rural clients lack rudimentary business skills and acumen, Seda should facilitate mentoring between retired business owners and emerging women and youth SMME owners. Although retired business owners may not be in tune with the latest technological advances, they still possess knowledge of basic business concepts, business management, financial management, marketing, business ideation and opportunity identification.

THE TRAINING AIMED AT THE ‘ALTERNATIVE’ AND ‘SOFTER’ BUSINESS SKILLS

As previously mentioned, many challenges faced by women and youth business owners stem from deep-rooted stereotypes or cultural norms. Although these issues may take generations to phase out, individuals can be capacitated to better handle specific situations. Training components for women and youth should include the following:

• **Confidence building**
  How to portray oneself, how to find greater confidence in oneself and how to use criticism and opinions to fuel ambition.

• **Communication skills**
  How to clearly and confidently convey an idea, how to sell a business idea, how to be assertive.

• **Empowerment to overcome gender and age discrimination/stereotypes**
  How to respond in discriminative situations, promotion of self-belief, establishing self-worth

• **Mentoring**
  The pairing of an upcoming woman-owned business or youth-owned business with a respective successful business.

SEDA: THE ONE-STOP-SHOP

The role and support offered by Seda are not always understood by prospective clients and business owners. As a result, Seda often becomes the first stop for individuals that want to start a business, or for businesses that require
specific support. In many cases, these individuals are turned away, feeling despondent and unsure of what to do next.

Seda, with support from the DSBD should embark on a journey to map the Business Advisory Service supply in South Africa, relative to the different business developmental stages (ideation, start-up, growth, expansion, maturity) to be able to match the SMME owner/entrepreneur to the relevant Business Advisory Service product available. In this way, Seda can play a facilitation role and advise the client on the best products to access for their specific needs.

To this end, the DSBD and Seda would have to ensure coordination between different Business Support Agencies and products, and be informed about, and able to inform clients about the different programmes and its requirements.

THE CLIENT JOURNEY

Linked to the recommendation above, there is a need to screen or assess each and every Seda client in order to understand the specific needs of the SMME owner/entrepreneur and to establish the business developmental stage. In this way, tailored, appropriate assistance can be offered and assist the client on its journey to become sustainable.

For example, an ICT business may have different requirements than an agro-processing business at the start-up phase, although they may be at the same stage of the business journey. The business and financial acumen of the individuals may also be be at different levels, meaning that basic financial management may be more appropriate to the one business, while more advanced financial management may be appropriate for the other.

THE SUPPORT PIPELINE

Following from the previous two recommendations, it is recommended that the Business Advisory and Business Support environment be mapped in order to ensure an integrated and coordinated support pipeline to guide the client on his or her business journey.

It is suggested that upon entry into the pipeline, irrespective of where or at which agency/organisation support is obtained for the first time, proper assessment or screening needs to take place. The details and status of the individual and his/her business or prospective business need to be captured on a central database that can be accessed by all agencies or support organisations. In this regard, it will shorten the turn-around time for support and diminish the need for the client to constantly resubmit information and documentation in various formats and ensure that clients are not re-evaluated every time they seek to support. The progress of the business or client can be mapped along, and more appropriate, focussed support can be gained.

Business development agencies and organisations can make use of a universal client identification system such as a unique client number or QR code, which can instantly call up the client information.

NETWORKING PLATFORMS

The DSBD, through Seda should assist in facilitating networking platforms, through linking women SMME owners with each other, and by linking youth SMME owners with each other, and offering support in solidifying these networks. This can entail making Seda branch offices available for meetings, assisting in communication and organisation.
These networking platforms can take on the form of a forum, business breakfasts or seminars. Local successful business owners should be invited to share their stories and inspire the youth and or women SMME owners, and to encourage sharing of their own stories in order to give each other advice and support.

These forums should be individualised according to a specific community or regional business needs. For example, the location should be convenient for attendees and could be hosted at a communal, central area such as a community centre as opposed to a Seda branch office. The time that these forums meet should also be conducive for the business owners (taking business hours into considerations) and should provide additional support such as childcare for the time that the forum meets.

**Facilitation of co-working spaces and subsidised business premises**

Given the lack of co-working spaces in (especially) rural areas and the high cost of leasing commercial and industrial space for emerging SMMEs, the DSBD and/or Seda should facilitate co-working spaces and negotiate for subsided leases with local municipalities. The following could be explored:

- Utilising existing government facilities and buildings such as community libraries, community centres as co-working spaces. Seda could appoint a Business Advisor to be stationed at the facility on dedicated days and could offer access to facilities to registered Seda clients such as computers, Wi-Fi, printing and faxing facilities.
- Negotiating subsidised lease packages for local women and youth-owned SMMEs in government-owned buildings (especially those being under-utilised). This can be done through partnerships with the Local Economic Development (LED) departments within specific local municipalities.

**Alternative incubation**

The limited number of incubation services and facilities across the country and the concentration of these incubation facilities in urban areas point to the need for alternative incubation solutions. To this end, the DSBD and Seda should consider the following:

- Developing a new digital/virtual incubation programme (or promote and utilise an existing virtual incubation programme) which women and youth SMME owners can access via the internet or on a mobile app.
- Deploying ‘mobile incubation’ at the proposed co-working spaces discussed above. This can take the form of business advisors, industry experts and training facilitators visiting these locations on predetermined days.

**Business Development Advisor (Internal) Capacitation**

Many women and youth SMME owners consulted criticised Business Advisors for not understanding the business journey, and not having empathy or compassion. Many also indicated that even some Business Advisors show bias or subject them to stereotypes.

The DSBD and Seda should ensure that Seda Business Advisors are capacitated to effectively support SMMEs and should consider sensitivity training towards women and youth business owners.
FACILITATE AND ENCOURAGE PARTNERSHIPS AND MATCHING

Seda should facilitate partnerships and collaboration among similar businesses, and between large businesses and SMMEs. This process would be simplified once the central database of clients (shared among all development agencies and organisations) is established.

The DSBD and Seda should consider developing an “adoption” programme for large businesses to mentor and assist emerging women and youth SMMEs.

There is a need to facilitate collaboration between government departments and to consolidate and/or coordinate SMME development objectives within various departments. The DSBD and Seda should approach the Department of Planning, Monitoring and Evaluation (DPME) to assist in coordinating SMME development programmes throughout the different spheres of government. Collaboration and coordination will lead to less duplication of efforts and ultimately result in cost and time savings.

ADVOCATE FOR FLEXIBLE AND APPROPRIATE LENDING PACKAGES

There is a great need for the DSBD and Seda to advocate for more flexible and appropriate lending packages for both women and youth-owned SMMEs. Considerations and suggestions include:

- Ensure that lending criteria are case specific (the thorough assessment/screening of businesses once they enter the business support pipeline can assist in streamlining this process)
- Advocate for a sector and industry orientated and specific criteria (financial requirements for an ICT business will differ from the financial requirements of an agro-processing business)
- Creative solutions for bridging challenges such as lack of track record or surety (consider how women married within the community of property can still use their assets, or allow for movable property to also be considered as surety, consider business potential over financial track record etc.)

E-COMMERCE PROMOTION

In an effort to assist clients to take advantage of technological opportunities, the DSBD and Seda should prioritise training and facilitation on how to create an online store, or how to access existing online/e-commerce platforms. Seda should assist clients and empower them to be able to comply with and apply to become suppliers on these existing platforms.

Training could also be extended to include aspects such as online marketing (e.g. Google Ads), how to access information and how to do market research online (customer satisfaction surveys, needs assessments etc.).

PREFERENTIAL PROCUREMENT AND WOMEN AND YOUTH SMME DEVELOPMENT

The DSBD and Seda should advocate for statutory targets to be set for government procurement through women and youth SMMEs. To be effective, this will require monitoring, reporting and oversight mechanisms to ensure the procuring entities are making progress towards their goals, and that the SMMEs are reaping advantages and are not being taken advantage of, and paid within the stipulated timeframes.

MONITORING & EVALUATION OF IMPLEMENTATION

There is a need for the DSBD to undertake impact assessments of the department and Seda’s programmes, as well as of the clients that they have supported. There are various ways in which this can be done, such as the
undertaking of tracer studies of the beneficiaries/clients, analysis of the central database (once it has been established) etc.

In addition to the above, the need was repeatedly identified to provide aftercare to clients. Women and youth SMME owners indicated that once they have received training, or once they have received support in the form of a grant, or procurement of equipment, they yearn for the business advisor/facilitator/expert/mentor to visit their place of business to assist on-site, or to evaluate the application of the skill and to provide additional advice.
# 7.1 Recommendations prioritisation table

The following table provides guidance with regards to the prioritisation, focus and role-players that need to take lead in ensuring these recommendations are actioned. It should be noted that some of these recommendations may already be addressed by existing programmes and projects, but this table provides an overview of the perceived areas of focus, which could help the DSBD and Seda realign, refocus and prioritise existing initiatives, and consider new ones.

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Prioritisation/Implementation time frame</th>
<th>Responsible role-players</th>
<th>Cohort focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sharing of findings with other relevant departments</td>
<td>IMMEDIATE</td>
<td>• DSBD</td>
<td>🧑‍💼 Cap</td>
</tr>
<tr>
<td>Greater support for those still at idea stage</td>
<td>ON-GOING</td>
<td>• Seda • Sefa</td>
<td>🧑‍💼 Cap</td>
</tr>
<tr>
<td>Greater emphasis on basic financial and business training</td>
<td>ON-GOING</td>
<td>• Seda</td>
<td>🧑‍💼 Cap</td>
</tr>
<tr>
<td>Help clients understand what “the market” really means</td>
<td>IMMEDIATE</td>
<td>• Seda</td>
<td>🧑‍💼 Cap</td>
</tr>
<tr>
<td>Retired business owners as mentors</td>
<td>MEDIUM</td>
<td>• Seda</td>
<td>🧑‍💼 Cap</td>
</tr>
<tr>
<td>Recommendation</td>
<td>Prioritisation/Implementation time frame</td>
<td>Responsible role-players</td>
<td>Cohort focus</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------------</td>
<td>-----------------------------------------</td>
<td>--------------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>Training aimed at the ‘alternative’ and ‘softer’ business skills</td>
<td>ON-GOING</td>
<td>• Seda</td>
<td></td>
</tr>
<tr>
<td>Seda: The one-stop Shop</td>
<td>LONG-TERM</td>
<td>• Seda</td>
<td></td>
</tr>
<tr>
<td>The client journey</td>
<td>LONG-TERM</td>
<td>• DSBD</td>
<td>• Seda</td>
</tr>
<tr>
<td>The support pipeline</td>
<td>LONG-TERM</td>
<td>• DSBD</td>
<td>• Seda</td>
</tr>
<tr>
<td>Networking platforms</td>
<td>IMMEDIATE</td>
<td>• Seda</td>
<td></td>
</tr>
<tr>
<td>Facilitating of co-working spaces and subsidised business premises</td>
<td>MEDIUM</td>
<td>• DSBD</td>
<td></td>
</tr>
<tr>
<td>Recommendation</td>
<td>Prioritisation/implementation time frame</td>
<td>Responsible role-players</td>
<td>Cohort focus</td>
</tr>
<tr>
<td>----------------------------------------------------------</td>
<td>------------------------------------------</td>
<td>--------------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>Alternative Incubation</td>
<td>MEDIUM</td>
<td>• Seda</td>
<td></td>
</tr>
<tr>
<td>Business Development Advisor (Internal) Capacity</td>
<td>ON-GOING</td>
<td>• Seda</td>
<td></td>
</tr>
<tr>
<td>Advocate for flexible and appropriate lending packages</td>
<td>MEDIUM</td>
<td>• DSBD</td>
<td></td>
</tr>
<tr>
<td>E-commerce promotion</td>
<td>IMMEDIATE</td>
<td>• Seda</td>
<td></td>
</tr>
<tr>
<td>Preferential procurement and women and youth SMME development</td>
<td>ON-GOING</td>
<td>• DSBD</td>
<td></td>
</tr>
<tr>
<td>Monitoring and Evaluation of implementation</td>
<td>ON-GOING</td>
<td>• DSBD</td>
<td></td>
</tr>
</tbody>
</table>
Annexure A: Criteria for medium and micro-sized enterprises by sector and turnover in South Africa

<table>
<thead>
<tr>
<th>Sector or subsector in accordance with the Standard Industrial Classification</th>
<th>Size or class of enterprise/enterprise category</th>
<th>Total full-time equivalent of paid employees</th>
<th>Total annual turnover (*ZAR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, forestry and fishing</td>
<td>Medium</td>
<td>51-250</td>
<td>≤ 35 million</td>
</tr>
<tr>
<td></td>
<td>Small</td>
<td>11-50</td>
<td>≤ 17 million</td>
</tr>
<tr>
<td></td>
<td>Micro</td>
<td>0-10</td>
<td>≤ 7 million</td>
</tr>
<tr>
<td>Mining and quarrying</td>
<td>Medium</td>
<td>51-250</td>
<td>≤ 210 million</td>
</tr>
<tr>
<td></td>
<td>Small</td>
<td>11-50</td>
<td>≤ 50 million</td>
</tr>
<tr>
<td></td>
<td>Micro</td>
<td>0-10</td>
<td>≤ 15 million</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>Medium</td>
<td>51-250</td>
<td>≤ 170 million</td>
</tr>
<tr>
<td></td>
<td>Small</td>
<td>11-50</td>
<td>≤ 50 million</td>
</tr>
<tr>
<td></td>
<td>Micro</td>
<td>0-10</td>
<td>≤ 10 million</td>
</tr>
<tr>
<td>Electricity, gas and water</td>
<td>Medium</td>
<td>51-250</td>
<td>≤ 180 million</td>
</tr>
<tr>
<td></td>
<td>Small</td>
<td>11-50</td>
<td>≤ 60 million</td>
</tr>
<tr>
<td></td>
<td>Micro</td>
<td>0-10</td>
<td>≤ 10 million</td>
</tr>
<tr>
<td>Construction</td>
<td>Medium</td>
<td>51-250</td>
<td>≤ 170 million</td>
</tr>
<tr>
<td></td>
<td>Small</td>
<td>11-50</td>
<td>≤ 75 million</td>
</tr>
<tr>
<td></td>
<td>Micro</td>
<td>0-10</td>
<td>≤ 10 million</td>
</tr>
<tr>
<td>Retail, motor trade and repair services</td>
<td>Medium</td>
<td>51-250</td>
<td>≤ 80 million</td>
</tr>
<tr>
<td></td>
<td>Small</td>
<td>11-50</td>
<td>≤ 25 million</td>
</tr>
<tr>
<td></td>
<td>Micro</td>
<td>0-10</td>
<td>≤ 7.5 million</td>
</tr>
<tr>
<td>Wholesale</td>
<td>Medium</td>
<td>51-250</td>
<td>≤ 220 million</td>
</tr>
<tr>
<td></td>
<td>Small</td>
<td>11-50</td>
<td>≤ 80 million</td>
</tr>
<tr>
<td></td>
<td>Micro</td>
<td>0-10</td>
<td>≤ 20 million</td>
</tr>
<tr>
<td>Catering, accommodation and other trade</td>
<td>Medium</td>
<td>51-250</td>
<td>≤ 40 million</td>
</tr>
<tr>
<td></td>
<td>Small</td>
<td>11-50</td>
<td>≤ 15 million</td>
</tr>
<tr>
<td></td>
<td>Micro</td>
<td>0-10</td>
<td>≤ 5 million</td>
</tr>
<tr>
<td>Transport, storage and communications</td>
<td>Medium</td>
<td>51-250</td>
<td>≤ 140 million</td>
</tr>
<tr>
<td></td>
<td>Small</td>
<td>11-50</td>
<td>≤ 45 million</td>
</tr>
<tr>
<td></td>
<td>Micro</td>
<td>0-10</td>
<td>≤ 7.5 million</td>
</tr>
<tr>
<td>Finance and business services</td>
<td>Medium</td>
<td>51-250</td>
<td>≤ 85 million</td>
</tr>
<tr>
<td></td>
<td>Small</td>
<td>11-50</td>
<td>≤ 35 million</td>
</tr>
<tr>
<td></td>
<td>Micro</td>
<td>0-10</td>
<td>≤ 7.5 million</td>
</tr>
<tr>
<td>Community, social and personal services</td>
<td>Medium</td>
<td>51-250</td>
<td>≤ 70 million</td>
</tr>
<tr>
<td></td>
<td>Small</td>
<td>11-50</td>
<td>≤ 22 million</td>
</tr>
<tr>
<td></td>
<td>Micro</td>
<td>0-10</td>
<td>≤ 5 million</td>
</tr>
</tbody>
</table>
### Annexure B: Overview of SMME related policies & legislation

<table>
<thead>
<tr>
<th>Description</th>
<th>Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>National Small Business Act (102 of 1996), as amended in 2004, and hereinafter referred to as the National Small Business Amendment Act (29 of 2004)</strong></td>
<td>The Act sets out guidelines for organs of national, provincial and local government to promote small business, including guidelines for regulatory impact monitoring. Note should be taken of the roles and functions of the organs of the state with respect to SMME development for women and youth.</td>
</tr>
<tr>
<td><strong>Skills Development Act (97 of 1998)</strong></td>
<td>Interventions and recommendations should be aimed at making positive contributions to improve skills development for (i) women and youth entrepreneurs as well as for (ii) women and youth in entrepreneurship to establish SMMEs, particularly in a new era of technological advancement. In addition, entrepreneurship education often does not appear in the curricula of South African primary and secondary schools. Entrepreneurship-related programmes are offered to people who have already left school. Since entrepreneurship education is not a mandatory subject within general education, it receives little attention. There is no substantial awareness raising programmes to promote entrepreneurship within schools. There is a need to foster an entrepreneurial spirit among school-age children. At a higher educational level, most higher education institutions have integrated entrepreneurship modules into their curricula, but this is often limited to business schools. There is a need for supporting the expansion of entrepreneurship activities in higher education through relevant programmes.</td>
</tr>
<tr>
<td><strong>Preferential Procurement Policy Framework Act (5 of 2000)</strong></td>
<td>The Act provides the statutory framework for preferential procurement to ensure the development of small businesses owned by black women or black youth.</td>
</tr>
<tr>
<td><strong>National Strategy for the Development and Promotion of Small Business (1995)</strong></td>
<td>Recommendations should be aimed at creating an enabling environment for businesses owned by women and youth and to grow.</td>
</tr>
</tbody>
</table>

- The purpose of the Act is to provide for the establishment of the National Small Business Advisory Council and Seda (Small Enterprise Development Agency), to provide guidelines for organs of state to promote small business in the Republic and to provide for matters incidental thereto.

- Among the purposes of the Act is to contribute to the SMME development framework, i.e.:
  - To develop the skills of the South African workforce;
  - To encourage employers of businesses:
    - To use the workplace as an active learning environment
    - To provide employees with the opportunities to acquire new skills
  - To increase the levels of investment in education and training in the labour market and to improve the return on that investment.

- The achievement of these purposes would also have a positive influence on the pool of people from which entrepreneurs will emerge to develop small businesses. Furthermore, a skilled and productive workforce provides a solid basis for small businesses to draw employees from.

- The purpose of the Act is to ensure that government’s preferential procurement procedures are aligned with the aims of the Broad-based Black Economic Empowerment Act (53 of 2003) and the associated Codes of Good Practices. This Act encourages transformation throughout the entire economy while encouraging the procurement of locally produced goods and services, therefore increasing business opportunities for local entrepreneurs and SMMEs.

- The strategy was the first initiative taken by the Department of Trade and Industry (the dti) to formulate a comprehensive policy and strategy on small business development in South Africa. Its objectives are to:
  - Create an enabling environment for SMMEs;
  - Facilitate greater education of income, wealth and earning opportunities;
  - Address the legacy of apartheid-based disempowerment of black business;
  - Support the advancement of women in business sectors;
<table>
<thead>
<tr>
<th>Description</th>
<th>Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td>• create long-term jobs; and &lt;br&gt; • strengthen cohesion between enterprises</td>
<td>Interventions and recommendations should be made in the current study to increase the number of women entrepreneurs in technology-related industries (i.e. STEM field).</td>
</tr>
</tbody>
</table>

**Technology for Women in Business (1998)**

Established by the dti, the initiative aims to facilitate access to science and technology (the so-called STEM field) for women entrepreneurs. The objective of this initiative is to assist women-owned businesses with technology and new methods of operations to improve production. Additionally, it is to support young women, through Techno-Girl Programme, by encouraging them to follow careers in the STEM field.

**South African Women Entrepreneurs’ Forum (2002)**

This initiative represents and supports women entrepreneurs in the SMME sector in response to the fact that they continuously face an enormous number of obstacles in starting, growing and sustaining their own enterprises. Support services under this initiative include:

- effective network forums;
- training and capacity-building programmes;
- the provision of pertinent business information and advice that leads to business opportunities;
- facilitating trade missions and exposure to the global economy; and
- maintaining a reliable database of South African women entrepreneurs.

Entrepreneurship networks have a strong impact on enterprise development as they provide access to resources such as ideas, business partners, customers and financing.

Women entrepreneurs tend to have smaller and more informal networks than their male counterparts. They are also less inclined to join business associations, special interest groups and other formal large networks.

Therefore, there is a need to increase business networks and to improve beneficiaries’ current situation of limited opportunities in business networks.

**Integrated Small Enterprise Development Strategy (2005)**

Introduced by the dti, this strategy aims to improve the collaboration and communication between government, other suppliers of support and the SMME community in the process of implementing it. The key objectives of this strategy are to:

- increase the contribution of SMMEs to the growth of the South African economy;
- create an enabling environment for SMMEs with a level playing field between large enterprises and SMMEs that reduces the disparities between urban and rural enterprises and is conducive to entrepreneurship;
- create sustainable long-term jobs in the SMME sector; and
- increase the competitiveness of the SMME sector and enabling environment so that it is better able to take advantage of opportunities emerging in national and international markets.

Increase in the number of SMMEs owned by youth and women should be taken into account to the growth of the country’s economy.

**Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises (2005)**

The overall objective of this strategy is to adequately and effectively foster entrepreneurship and the promotion of SMMEs. It covers the entire continuum of needed support, from pre-startup and start-up assistance measures to growing enterprises and enterprises in distress. It focuses on three strategic areas with aligned actions:

- increase supply for financial and non-financial support services: collaborative approaches to streamline resources from the public sector and crowding in private sector resources;
- Create demand for small enterprise products and services: new policy directives, public sector procurement

Interventions and recommendations should be aimed at increasing the supply of financial and non-financial support services to entrepreneurship development programmes and SMMEs owned by women and youth.
### National Development Plan, Vision 2030 (2012)

The plan recognises the importance of entrepreneurship as a means of employment creation, and in particular youth development, anticipating that the largest majority of jobs will be created in small and expanding companies. The plan also specifically recognises the importance of creating a supportive policy environment which reduces red tape, lowers barriers to entry and creates an entrepreneur-oriented environment for business development.

Interventions and recommendations should be aimed at making positive contributions towards job creation to tackle high unemployment and creating an enabiling environment for youth and women entrepreneurs.

### Youth Enterprise Development Strategy (2013)

This strategy aims to strengthen and unleash the potential of youth’s participation in the economy by raising the value and the profile of youth-owned and -managed SMMEs and designing support programmes suitable to this end. It pursues the following:

- to increase the contribution of youth-owned SMMEs to the GDP of South Africa from a very low base of less than 5% contribution to GDP, through to 15% over the next 10 years (2012-2022); and
- to increase the number of self-employed youth or entrepreneurs from a low base of approximately 6%, through to 20% over the next 10 years, as well as, increase entrepreneurial culture, business managerial capacities, technical skills and talents among young people, thereby contributing to sustainable human development objectives.

Youth-targeted interventions are needed to enable young South Africans to actively participate and engage in the economy. The resulting enabling environment improvements lead to an increased number of businesses, investments, job creation and business growth.

### National Informal Business Upliftment Strategy (2014)

Introduced by the DSBD, this strategy aims to support the enterprising poor in the informal SMME sector and to facilitate their participation in the mainstream economy through various policy and programmatic interventions. It focuses to:

- enhance the quality of enterprise development, promotion and capacity building products and services;
- strengthen the policy and regulatory environment to support an integrated and coordinated approach to informal business upliftment;
- build the skills, capacity, systems and processes to drive an integrated and coordinated approach to informal business upliftment; and
- strengthen national, regional and international partnerships to support and promote the strategy’s development agenda.

The development of recommendations and interventions should ensure that capacity building for women and youth entrepreneurs in the informal sector is improved.
<table>
<thead>
<tr>
<th>Description</th>
<th>Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td>This policy seeks to create an environment that enables the</td>
<td>The policy sets out the framework for youth initiatives that enhance the capabilities of young people to transform the economy and society.</td>
</tr>
<tr>
<td>young people of South Africa to reach their potential. The policy</td>
<td>Note should be taken of the roles and functions of youth-related initiatives with respect to youth development.</td>
</tr>
<tr>
<td>proposes strategic policy interventions that fill the gaps and failings</td>
<td></td>
</tr>
<tr>
<td>of the previous policy and address the needs of the youth. The objectives</td>
<td></td>
</tr>
<tr>
<td>of the policy are to:</td>
<td></td>
</tr>
<tr>
<td>• consolidate and integrate youth development into the mainstream of</td>
<td></td>
</tr>
<tr>
<td>government policies, programmes and the national budget;</td>
<td></td>
</tr>
<tr>
<td>• strengthen the capacity of key youth development institutions and</td>
<td></td>
</tr>
<tr>
<td>ensure integration and coordination in the delivery of youth services;</td>
<td></td>
</tr>
<tr>
<td>• build the capacity of young people to enable them to take charge of</td>
<td></td>
</tr>
<tr>
<td>their own well-being by building their assets and realising their</td>
<td></td>
</tr>
<tr>
<td>potential.</td>
<td></td>
</tr>
<tr>
<td>• strengthen a culture of patriotic citizenship among young people and</td>
<td></td>
</tr>
<tr>
<td>to help them become responsible adults who care for their families and</td>
<td></td>
</tr>
<tr>
<td>communities;</td>
<td></td>
</tr>
<tr>
<td>• foster a sense of national cohesion, while acknowledging the</td>
<td></td>
</tr>
<tr>
<td>country’s diversity, and inculcate a spirit of patriotism by encouraging</td>
<td></td>
</tr>
<tr>
<td>visible and active participation in different youth initiatives, projects</td>
<td></td>
</tr>
<tr>
<td>and nation-building activities.</td>
<td></td>
</tr>
</tbody>
</table>
# Annexure C: Focus Group Discussion Themes

## Women-Owned SMMEs

<table>
<thead>
<tr>
<th>THEME</th>
<th>FACILITATOR NOTES</th>
<th>ISSUES/ CHALLENGES</th>
<th>SOLUTIONS/ IMPROVEMENTS</th>
</tr>
</thead>
</table>
| **1. PARTICIPATION & PERFORMANCE OF WOMEN-OWNED SMMEs:**            |                   | 1. Statistics show us that generally women are not starting/ owning SMMEs as much as other groups. Why is this the case?  
2. Do women generally start businesses because they have always wanted to be entrepreneurs, or out of necessity (i.e. as a means of earning a living/ cannot find a job, etc.)?  
3. Women-owned SMMEs often fail or do not grow significantly. Why not? What are the issues?  
4. In which sectors are women-owned SMMEs not well represented? Why is this? Why do they find it difficult?  
5. Are women-owned SMMEs finding it more difficult to transition to the formal economy than other SMMEs? Why is this the case? What are the issues? | - What should be done to ensure better participation, performance and sectoral spread of women-owned SMMEs?  
- What improvements need to be made to how they are supported? |
| **2. UNIQUE AND SPECIFIC CHALLENGES FOR WOMEN-OWNED SMMEs:**        |                   | 1. What specific challenges do women experience regarding an entrepreneurial mindset/ lack thereof and a support system for starting businesses?  
2. Why is this the case? In which ways are these challenges different for women-owned SMMEs? | - What should be done to improve the situation?  
- What improvements need to be made to better support women-owned SMMEs in addressing these challenges? |
| **• Internal influences**                                           |                   | 1. What type of stereotypes/bias are prevalent?  
2. How does gender bias/ stereotyping affect women’s ability to start, manage or grow their SMMEs?  
3. Why do gender bias/ stereotyping happen? What are the underlying causes? | - What can be done to improve the situation?  
- What improvements need to be made to better support women-owned SMMEs in addressing these challenges? |
| **• External influences**                                           |                   | 1. What specific challenges do women experience regarding starting and sustaining businesses in terms of regulatory requirements and administration?  
2. Why is this the case? In which ways are these challenges different for women-owned SMMEs? | - What should be done to improve the situation?  
- What improvements need to be made to better support women-owned SMMEs in addressing these challenges? |
<p>| <strong>• Stereotypes and gender bias</strong>                                   |                   |                                                                                                        |                                                                                        |
| <strong>• Enabling environment, bureaucracy and red tape</strong>                |                   |                                                                                                        |                                                                                        |</p>
<table>
<thead>
<tr>
<th>THEME</th>
<th>FACILITATOR NOTES</th>
</tr>
</thead>
</table>
| • Skills and training (sector-specific/technical & business management) | 3. What are the particular skills that women-owned SMMEs feel they lack?  
4. What specific challenges do women experience regarding gaining the necessary skills for starting and sustaining successful businesses?  
5. Why is this the case? In which ways are these challenges different for women-owned SMMEs?  
- What should be done to improve the situation?  
- What improvements need to be made to better support women-owned SMMEs in addressing these challenges? |
| • Finance and funding                                                | 1. What specific challenges do women experience in securing funding/finances for starting and sustaining successful businesses?  
2. Why is this the case? In which ways are these challenges different for women-owned SMMEs?  
- What should be done to improve the situation?  
- What improvements need to be made to better support women-owned SMMEs in addressing these challenges? |
| • Infrastructure (physical and virtual):                            | 1. What are the specific infrastructure elements that women are finding particularly difficult to access?  
2. What are the specific challenges/barriers preventing access to infrastructure for women-owned SMMEs?  
3. Why is this the case? In which ways are these challenges different for women-owned SMMEs?  
- What should be done to improve the situation?  
- What improvements need to be made to better support women-owned SMMEs in addressing these challenges? |
| • Markets, competition, inputs and other resources                  | 1. What are the specific challenges/barriers preventing access to markets for women-owned SMMEs?  
2. Why is this the case? In which ways are these challenges different for women-owned SMMEs?  
3. What specific inputs and other resources are women-owned SMMEs finding particularly difficult to access? Why is this the case?  
- What should be done to improve the situation?  
- What improvements need to be made to better support women-owned SMMEs in addressing these challenges? |

Other unique challenges for women-owned SMMEs
1. Which of the above challenges are more pronounced specifically for women-owned SMMEs? Why is that the case?  
2. What other specific/unique challenges (not listed above) are there for women-owned SMMEs that other SMMEs generally do not struggle with?
<table>
<thead>
<tr>
<th>THEME</th>
<th>FACILITATOR NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. OPPORTUNITIES FOR WOMEN-OWNED SMMEs:</td>
<td>A number of aspects play a role in creating opportunities, based on the internal capabilities/comparative advantages of the entrepreneur (skills &amp; abilities), as well as the external environment (market gap, new trends, etc.). Given those elements: 1. What specific opportunities exist for women-owned SMMEs, given their unique characteristics/skills sets 2. What market opportunities exist, or in which sectors do women-owned SMMEs enjoy a comparative advantage or can fill a gap?</td>
</tr>
<tr>
<td>• Unique characteristics/skills sets (including the ability to identify and exploit opportunities)</td>
<td></td>
</tr>
<tr>
<td>• Sector-specific opportunities</td>
<td></td>
</tr>
<tr>
<td>• Market opportunities linked to development trends (e.g. 4th industrial revolution)</td>
<td></td>
</tr>
<tr>
<td>• Procurement opportunities</td>
<td></td>
</tr>
<tr>
<td>SOLUTIONS/IMPROVEMENTS</td>
<td>What should be done to assist women-owned SMMEs to access these opportunities?</td>
</tr>
<tr>
<td>4. POLICIES AND SUPPORT PROGRAMMES FOCUSED ON WOMEN-OWNED SMMEs:</td>
<td>ISSUES/CHALLENGES 1. Are current SMME policies, support programmes and initiatives in line with the daily needs experienced by women-owned SMMEs? Where are they lacking/misaligned? 2. Is there enough awareness of the support programmes on offer? 3. Are they accessible to women-owned SMMEs? If not, what are the issues? 4. Where are the gaps/what support elements are not being covered by support agencies?</td>
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<td>1. Alignment of policies to the challenges and needs of women-owned SMMEs</td>
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<tr>
<td>2. Availability, awareness and accessibility of support programmes &amp; initiatives for women-owned SMMEs</td>
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<tr>
<td>SOLUTIONS/IMPROVEMENTS</td>
<td>What support programmes/initiatives/incentives can be put in place to improve support to women-owned SMMEs? How can awareness and access to these programmes be improved?</td>
</tr>
<tr>
<td>5. ROLE OF STAKEHOLDERS IN THE SMALL BUSINESS ECOSYSTEM FOR WOMEN-OWNED SMMEs:</td>
<td>ISSUES/CHALLENGES A number of role-players are involved in supporting SMMEs in the small business ecosystem. 1. In which of the stakeholder areas are women-owned SMMEs specifically not being adequately supported? Why? 2. From the perspective of women-owned SMMEs, what are the issues/challenges with respect to coordination and collaboration between the different stakeholders, particularly as it pertains to women-owned SMMEs?</td>
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<td>• Role of finance providers in promoting women-owned SMMEs (DFIs, corporate, government, etc.)</td>
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<td>• Role of business development providers in promoting women-owned SMMEs (incubation, accelerators, research &amp; innovation, enterprise development, etc.)</td>
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<td>• Role of education providers in promoting women-owned SMMEs (colleges, academies, universities, training providers, etc.)</td>
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<tr>
<td>• Role of ecosystem builders in promoting women-owned SMMEs (government, industry associations, consultancies, etc.)</td>
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<tr>
<td>• Public-private partnerships</td>
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<tr>
<td>• Coordination and collaboration between stakeholders</td>
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<tr>
<td>SOLUTIONS/IMPROVEMENTS</td>
<td>Which improvements are required for each of the stakeholder groups to promote women-owned SMMEs?</td>
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<td>THEME</td>
<td>FACILITATOR NOTES</td>
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</tr>
<tr>
<td>1. PARTICIPATION &amp; PERFORMANCE OF YOUTH-OWNED SMMEs:</td>
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<td>1. Performance of youth-owned SMMEs</td>
<td></td>
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<td>2. The sectoral focus of youth-owned SMMEs</td>
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<td>3. Transitioning informal youth-owned SMMEs/ cooperatives to the formal sector</td>
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<td>2. UNIQUE AND SPECIFIC CHALLENGES FOR YOUTH-OWNED SMMEs:</td>
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<tr>
<td>• Internal influences (entrepreneurial mindset, confidence/ self-limitation, inexperience, etc.)</td>
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<td>• External influences (family support towards entrepreneurship, social expectations, etc.)</td>
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<td>• Age stereotypes and discrimination</td>
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<tr>
<td>• Skills and training (sector-specific/technical &amp; business management)</td>
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<tr>
<td><strong>2. Why is this the case? In which ways are these challenges different for youth-owned SMMEs?</strong></td>
<td>- What improvements need to be made to better support youth-owned SMMEs in addressing these challenges?</td>
</tr>
<tr>
<td><strong>Infrastructure (physical and virtual):</strong></td>
<td><strong>1. What are the specific infrastructure elements that youth are finding particularly difficult to access?</strong></td>
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<tr>
<td>o Affordable and suitable business premises, access to utilities (water, electricity etc)</td>
<td>o Technology</td>
</tr>
<tr>
<td>2. What are the specific challenges/barriers preventing access to infrastructure for youth-owned SMMEs?</td>
<td>3. Why is this the case? In which ways are these challenges different for youth-owned SMMEs?</td>
</tr>
<tr>
<td><strong>Markets, competition, inputs and other resources</strong></td>
<td><strong>1. What are the specific challenges/barriers preventing access to markets for youth-owned SMMEs?</strong></td>
</tr>
<tr>
<td>2. Why is this the case? In which ways are these challenges different for youth-owned SMMEs?</td>
<td>3. What specific inputs and other resources are youth-owned SMMEs finding particularly difficult to access? Why is this the case?</td>
</tr>
<tr>
<td><strong>Other unique challenges for youth-owned SMMEs</strong></td>
<td><strong>1. Which of the above challenges are more pronounced specifically for youth-owned SMMEs? Why is that the case?</strong></td>
</tr>
<tr>
<td>2. What other specific/unique challenges (not listed above) are there for youth-owned SMMEs that other SMMEs generally do not struggle with?</td>
<td><strong>3. OPPORTUNITIES FOR YOUTH-OWNED SMMEs:</strong></td>
</tr>
<tr>
<td>- Unique characteristics/skills sets (including the ability to identify and exploit opportunities)</td>
<td>- Sector-specific opportunities</td>
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<td>- Market opportunities linked to development trends (e.g. 4th industrial revolution)</td>
<td>- Procurement opportunities</td>
</tr>
<tr>
<td>- Alignment of policies to the challenges and needs of youth-owned SMMEs</td>
<td>A number of aspects play a role in creating opportunities, based on the internal capabilities/comparative advantages of the entrepreneur (skills &amp; abilities), as well as the external environment (market gap, new trends, etc.). Given those elements:</td>
</tr>
<tr>
<td>1. What specific opportunities exist for youth-owned SMMEs, given their unique characteristics/skills sets</td>
<td>1. What specific opportunities exist for youth-owned SMMEs, where are they lacking/misaligned?</td>
</tr>
<tr>
<td>2. What market opportunities exist, or in which sectors do youth-owned SMMEs enjoy a comparative advantage or can fill a gap?</td>
<td>2. Is there enough awareness of the support programmes on offer?</td>
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<td><strong>ISSUES/CHALLENGES</strong></td>
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### 5. ROLE OF STAKEHOLDERS IN THE SMALL BUSINESS ECOSYSTEM FOR YOUTH-OWNED SMMEs:

- **Role of finance providers** in promoting youth and owned SMMEs (DFIs, corporate, government, etc.)
- **Role of business development providers** in promoting youth-owned SMMEs (incubation, accelerators, research & innovation, enterprise development, etc.)
- **Role of education providers** in promoting youth-owned SMMEs (colleges, academies, universities, training providers, etc.)
- **Role of ecosystem builders** in promoting youth-owned SMMEs (government, industry associations, consultancies, etc.)
- Public-private partnerships
- Coordination and collaboration between stakeholders

### ISSUES/CHALLENGES

A number of role-players are involved in supporting SMMEs in the small business ecosystem.

1. In which of the stakeholder areas are youth-owned SMMEs specifically not being adequately supported? Why?
2. From the perspective of youth-owned SMMEs, what are the issues/challenges with respect to coordination and collaboration between the different stakeholders, particularly as it pertains to youth-owned SMMEs?

### SOLUTIONS/IMPROVEMENTS

- Which improvements are required for each of the stakeholder groups to promote youth-owned SMMEs?
Annexure D: Telephonic Survey

SMME SURVEY

Urban-Econ has been appointed by SEDA to undertake in-depth research on the specific and unique challenges faced by women-owned businesses/youth-owned businesses. The ultimate goal is to use these responses to inform policies and strategies to better support women-owned businesses/youth-owned businesses.

Official use and introduction

* 1. Surveyor name

* 2. Sample number

* 3. Call successful
   - Yes
   - No – voicemail (terminate call)
   - No - no answer (terminate call)
   - No – number does not exist (terminate call)

* 4. Good day, I am calling you from Urban-Econ, on behalf of SEDA. Can I confirm that I am talking to (Respondent Name)?
   - Yes
   - No - Please provide alternative contact number
* 5. Urban-Econ has been appointed by SEDA to undertake in-depth research on the specific and unique challenges faced by women-owned businesses/youth-owned businesses. The ultimate goal is to use these responses to inform policies and strategies to better support women-owned businesses/youth-owned businesses.

I would like to ask you a few questions about your business and the challenges you face as a business owner/entrepreneur. Please note that participation is voluntary and that your responses will be kept confidential.

The questionnaire will take about 20 minutes to complete. Are you willing to complete the survey?

- Yes
- No, please provide reason

* 6. Is the business active?

- Yes, the business is active
- No, the business only at idea stage (not yet started)
- No, the business has failed and is no longer operational

* 7. How long was the business operational before closing?

* 8. What was the reason(s) that the business failed (MANAGEMENT, EXPERIENCE & SKILLS)

- Lack of business experience
- Lack of business management skills
- Lack of financial management skills
- Lack of technical skills
9. LOCATION & INFRASTRUCTURE
- poor business location
- lack of affordable/appropriate business premises
- lack of equipment
- lack of technology
- no access/unaffordability of utilities

10. OPERATIONAL & MARKETS
- low sales
- high levels of competition
- product/service don't match customer needs
- over reliance on a few key customers/lost big contract
- poor understanding of the market
- failure to innovate
- failure of government to pay service providers within prescribed 30-day payment period
- Other (please specify)

11. FINANCE & FUNDING
- insufficient capital
- lack of financial planning
- poor cash flow
- poor debtor management
12. SUPPORT

☐ Lack of family support
☐ Spouse unwilling to co-sign to obtain funding/equipment/premises
☐ Lack of support from government and support agencies
☐ Other (please specify)

* 13. What support is needed to get the business operational?

☐ Access to funding/finances to start business
☐ Access to infrastructure (premises, equipment, etc.)
☐ Access to technology (telecommunications, business specific technology, etc.)
☐ Access to inputs & resources
☐ Assistance with meeting minimum quality & qualification standards

☐ Other (please specify)

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BUSINESS PROFILE

* 14. Where is the business located? (Only record provinces where business has physical presence/premises)

☐ EC
☐ FS
☐ GP
☐ KZN
☐ LP
☐ MP
☐ NC
☐ NW
☐ WC
* 15. By Area (select main area type)

- Metropolitan CBD
- City CBD
- Urban township
- Town CBD
- Rural village
- Farm

* 16. By Activity

- The business makes/produces
- The business sells
- The business offers a service/does
- The business makes and sells

* 17. Select industry type from list (select the one category which more than 50% of the company functions in – most relevant)

- Agriculture
- Mining/quarrying
- Agro-processing (food, beverages, etc.)
- Consumer goods (e.g. clothing, arts & crafts, furniture, construction goods, footwear, etc.)
- Industry goods (e.g. machinery, electronics, etc.)
- Construction
- Transport (passenger, freight, courier)
- Utility services (energy, water, etc.)
- Telecommunications services
- Hospitality (accommodation, catering, etc.)
- Services (e.g. cleaning, security, laundromat, repairs, financial, etc.)
- Wholesale
- Healthcare & social services
- Education
- Retail (clothing, food, grocery, airtime sales, etc.)
- Other (please specify)

**OWNERSHIP PROFILE**

* 18. What is the highest level of education of the business owner/s?

- No formal schooling
- Some primary schooling
- Completed Grade 7
- Some secondary schooling
- Completed Matric/Grade 12
- Completed tertiary education
- Other (please specify)
BUSINESS START-UP

* 19. What were the main reasons for starting the current business?
   - [ ] Wanted to be own boss
   - [ ] To gain employment/ an income
   - [ ] Saw a need/opportunity in the market
   - [ ] Have a specific skill to build a business on
   - [ ] Have access to specific resources (e.g. land, premises, etc.)
   - [ ] Other (please specify)

Additional definitions for assistance to the surveyor and the respondent:

- **Gender stereotypes** are socially constructed beliefs about men and women. They are constructed through sayings, songs, proverbs, the media, religion, custom, culture, education, drama etc.

- **Gender Bias**: is a preference or prejudice toward one gender over the other. Bias can be conscious or unconscious, and may manifest in many ways, both subtle and obvious.

- **Bureaucracy**:
  - an administrative policy-making group
  - government characterized by specialization of functions, adherence to fixed rules, and a hierarchy of authority
  - a system of administration marked by officialism, red tape, and proliferation

- **Red Tape**: official routine or procedure marked by excessive complexity which results in delay or inaction.
20. When the business started, which of the following areas did you experience the most significant challenges in?

- Lack of internal confidence/ self-belief
- Lack of external support from family & society towards entrepreneurship
- Gender Stereotypes and gender bias (See definition)
- Age stereotypes and age discrimination (See definition)
- Long and difficult processes in registering a business (associated bureaucracy & red tape) - (See definition)
- Lack of technical skills to operate/ grow the business
- Difficulties in meeting required standards and certifications to sell products
- Lack of networks/contacts in the industry
- Lack of mentorship and guidance
- Other (please specify)

Crowdfunding is the practice of funding a project or venture by raising money from a large number of people who each contribute a relatively small amount, typically via the Internet.

21. Where did you obtain the start-up capital to fund your business?

- Own resources/ savings
- Loan/ donation from family/friends
- Donations from other individuals/ entities
- Crowd funding (See definition)
- Loan from a Development Finance Institution (e.g. IDC, SEFA, etc.)
- Loan from a commercial bank
- Grants from business support entity (e.g. SEDA, local municipality, etc.)
- Funding from venture capital investors
- Funds through taking part in a competition/ pitching or through sponsors
- Other (please specify)
COMPLIANCE & OPERATIONS

* 22. Thinking about your current business, which of the following areas do you experience significant challenges in?

- Lack of internal confidence/ self-belief
- Lack of external support from family & society towards entrepreneurship
- Gender Stereotypes and gender bias
- Age stereotypes and age discrimination
- Difficulties with reporting and compliance requirements (e.g. SARS, CIPC, etc.)
- Lack of technical skills to operate/ grow the business
- Lack of networks/contacts in the industry
- Lack of mentorship and guidance
- Staff undermining business owner (because of gender or age)
- Affordability of staff (resulting in business owner having to fulfil many roles)
- Other (please specify)

- Lack of capital funding/ finances to grow the business
- Lack of cash flow/working capital
- Lack of infrastructure (e.g. premises, water, etc.)
- Lack of technology (telecommunications, etc.)
- Poor access to markets, information and networks
- High levels of competition
- Lack of access to inputs and resources
- Family and financial responsibilities (black tax)
- Lack of surety/ collateral

* 23. What specific challenges do you currently experience around regulatory requirements and compliance, etc.?
24. From which type of premises does the business operate?
- Home-based premises/office
- Mobile office/trailer/store
- Street/pavement trading
- Manufacturing/factory plant, or industrial park
- Market stall
- Warehouse
- Shared government supplied premises
- Commercial property office
- Incubator/accelerator
- On-line/virtual store (No premises)
- Door-to-door sales/services (No premises)
- Other (please specify)

25. Are the current premises suitable?
- Yes
- No, Please explain

26. Are the current premises affordable?
- Yes
- No, Please explain

27. What specific challenges do you currently experience around access to infrastructure (bulk infrastructure, services, etc.)?

28. What specific challenges do you currently experience around access to technology (telecommunications, internet, industry specific technologies, etc.)?

29. What specific challenges do you currently experience around access to markets?
* 30. What specific challenges do you currently experience around Competition?


* 31. What specific challenges do you currently experience around gaining access to skills (technical, management and soft skills, etc.)?


* 32. What particular skills do you feel you OR employees in your business lack?

- Technical skills related to the product produced or service offered
- Basic ICT skills (use of internet, computers, etc.)
- Business management skills
- Soft skills (teamwork, customer services)
- Financial management skills
- Communication, public speaking & negotiation skills
- Marketing skills
- Other (please specify)


PERFORMANCE

* 33. How long has the business been operating?


* 34. How many employees does the business have

<table>
<thead>
<tr>
<th>Owners OR Partners</th>
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<tbody>
<tr>
<td>Permanent</td>
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<tr>
<td>Temporary</td>
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</table>

* 35. How has the number of employees changed since the business started?

- Declined
- Remained the same
- Increased
* 36. Please explain

* 37. What is the annual turnover of the business (income before expenses subtracted)?
   - Less than R240,000
   - R241,000 to R500,000
   - R501,000 to R1 million
   - R1 million to R5 million
   - Other (please specify)

* 38. How has the annual turnover of the business changed since the business started?
   - Decline
   - Remained the same
   - Increased

* 39. Please explain

* 40. What specific challenges do you currently experience around securing funding/finance?

* 41. What specific challenges do you currently experience around cash flows and financial management, etc?
* 42. How would you describe the current level of performance of the business?
   - Struggling
   - Stable
   - Positive growth

* 43. Please provide reason for your answer

**DEVELOPMENT OPPORTUNITIES & BUSINESS SUPPORT**

* 44. What specific opportunities exist for women or youth owned SMMEs?

* 45. What external support is required to unlock these opportunities?

* 46. Are you aware of government development support programmes/initiatives that can benefit the business?
   - No
   - Yes

* 47. Have you used any of them?
   - No
   - Yes
* 48. Why not?
   - Don't want to say
   - Reason(s)

* 49. Please list which ones
   1
   2
   3
   4
   5

* 50. In your opinion, what challenges are experienced in accessing government development support programmes/ initiatives?

* 51. How can awareness and access to these programmes/ initiatives be improved?

Thank you for your time and completing the survey.
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