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The impact of women’s economic empowerment on the rise of female entrepreneurship and human capital in South Africa

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Abstract: The authors investigated the importance of women’s economic empowerment and its impact on the rise of female entrepreneurship and human capital in South Africa. The research included a case study analysis with four in-depth expert interviews. Data triangulation ensured the study’s validity, and the case was examined through pattern matching. The results demonstrate that female entrepreneurs face challenges such as access to resources and education, socio-cultural norms, a lack of social protection and a large and unprotected informal sector. The government and institutions shall promote women’s enablement through a direct labour market intervention, support for the informal sector, a gender-sensitive constitutional, legal and institutional framework, the enforcement and oversight of gender-responsive laws and policies and access to resources and education. Furthermore, women require digital inclusion, entrepreneur networks, social protection and reformed socio-cultural norms. If female entrepreneurs are empowered adequately, they would contribute to nations’ human capital, economic growth and development.

Keywords: women’s economic empowerment; women entrepreneurship; self-employed females; female labour force participation; gender equality; gender-responsive policies and initiatives; female entrepreneurs in South Africa; human capital.
1 Introduction

The relevance of emerging markets, which show considerable economic potential, has become evident over the past decades. ‘Especially in Western economies, where the governmental (fiscal) measures were extensive, the issues of public deficit and public debt, combined with inflation tensions, might lead to new troubles in the global economy. The pandemic might indeed be slowly finishing, yet the bill for the crisis was not yet issued, yet alone paid. In this regard international trade might have new threats on the horizon ‘(Justinek, 2021a, p.85).’ The Covid pandemic has reshaped the world economy and boosted some of the processes which would have otherwise taken years to implement (digitalisation), and on the other side stopped some of the processes, probably forever (like classical door to door selling)’ (Justinek, 2021b, p.1). Emerging markets are said to become an economic powerhouse soon, confronting industrialised Western economies. In this regard, the enhancement of human capital is vital. South Africa has been mentioned as one emerging country (Magnus, 2010, pp.5–6, 8, 10, 52). This paper focuses on women’s economic empowerment and female entrepreneurship in South Africa. South Africa is in the stage of low-middle development and dynamic in terms of
growth. The GDP per capita at Purchasing Power Parity (PPP) is USD 13,360.57 (The World Bank, 2020a). The nation’s growth rates have fluctuated over the last years (The World Bank, 2020b).

Studies revealed that ‘women are less likely to be entrepreneurs and face more disadvantages starting businesses than men’ (UN WOMEN, 2018). In Sub-Saharan Africa (SSA), however, women tend to have fewer alternatives to entrepreneurship than in other regions, which is why self-employment is prevalent in many countries. Nevertheless, reports indicate that women in Sub-Saharan Africa (SSA) face significant challenges. These include inequality in education and property rights, economic rights and access to finance. Thus, enabling women to pursue entrepreneurial opportunities (Hallward-Driemeier, 2011, pp.2–3) is critical. In SSA, the labour force participation rate of females aged 15 years or older amounted to 59.6% in 2020. Compared to other regions in the world, such as Latin America, East Asia, the Pacific region, North America and the European Union, more females are economically active in Sub-Saharan Africa. However, South Africa (44%) reported lower rates than overall SSA (The World Bank, 2022a).

Female entrepreneurs are recognised to be a source of economic growth and development that is, however, constrained by many factors (Etim and Iwu, 2019, p.2). As a reason for business failures of SMEs factors were perceived such as lack of managerial expertise, poor management and management inability, inadequate staff and learning failures (Philippi et al. 2020, p.42). Generally, Women’s Economic Empowerment (WEE) is crucial to achieving gender equality according to the 2030 Agenda for Sustainable Development by the United Nations (UN) and boosting economic growth (UN WOMEN, 2018).

The concept of WEE implies that females can succeed and advance economically while they are capable of making economic decisions and controlling both resources and earnings (Golla et al., 2011, p.4). They can engage in and profit from development processes (Eyben et al., 2008, pp.9–10). WEE consists of economic advancement (economic gain and success), power (control over resources) and agency (ability to define and make decisions) (Golla et al., 2011, p.4).

Recent literature suggests factors promoting women’s economic empowerment such as entrepreneur networks, collective action, education, training and mentoring programs. Besides, capital support from institutions, a balance of paid and unpaid work, and access to property, assets and financial services are crucial factors. Furthermore, social protection, labour market policies, fiscal policies and a gender-responsive legal and institutional framework may empower women (Mandipaka, 2014, pp.1190–1192; Semente, 2019, pp.12–13; Hunt and Samman, 2016, p.11; World Bank Group, 2019, pp.134–135).

It is vital to assess how WEE can influence the rise of female entrepreneurship in SSA. There is an urgency to evaluate existing measures and their contribution to the success of female entrepreneurs. Besides, effects on the countries’ economic development and growth need to be considered. The authors recommend the most promising gender-responsive policies and initiatives that could best support female entrepreneurs in South Africa.

This paper should emphasise the significance of WEE in South Africa to promote female entrepreneurship. Factors that contribute to WEE and impact the rise of female entrepreneurship are evaluated. Figure 1 illustrates the relationships between the main topics of this paper.
This paper aims to get an in-depth insight into the issue and to recognise the most relevant factors and how they influence female entrepreneurship in the selected countries. The findings should underline the importance of policies and initiatives for female entrepreneurs and the consequential positive effect on the country’s progress in achieving gender equality and economic growth.

A comprehensive literature review demonstrates that there is growing attention to WEE and female entrepreneurship, as well as the effects on economic growth and development in various countries (Mukorera, 2020; Phillips et al., 2014; BSR & William and Flora Hewlett Foundation, 2017; Bothale, 2017; World Bank Group, 2019). Most studies addressed WEE or female entrepreneurship in Africa, South Africa and some of its provinces, Ghana, Kenya, Tanzania, Namibia, Rwanda, Nigeria, Ghana and Botswana. However, limited research provides a profound understanding of the relationship between WEE and the rise of female entrepreneurship (Mukorera, 2020; Phillips et al., 2014; World Bank Group, 2019). Besides, no recent literature compared the relationship between WEE and the rise of female entrepreneurship in South Africa.

Based on the problem statement, the authors have defined the following research questions:

1. How does women’s economic empowerment influence the rise of female entrepreneurship in South Africa?

2. How can specific gender-specific policies and initiatives contribute to the success of female entrepreneurs in South Africa?
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The extensive body of previous literature on women’s economic empowerment and female entrepreneurship observed interrelationships between the two concepts. It further contains recommendations to support female entrepreneurs, including several helpful policies and initiatives. Specific literature focuses on the positive impact of empowered women on a nation’s economy. Therefore, the authors defined the subsequent assumptions that are investigated in this study:

- Women’s economic empowerment impacts the emergence of female entrepreneurship in South Africa.
- The success of female entrepreneurs is influenced by certain factors like gender-specific policies and initiatives.
- The promotion of female entrepreneurship has a positive effect on economic progress.

The authors aimed to answer the research questions through qualitative analysis. Hence, the author performed a qualitative and explanatory research method known as case study analysis for South Africa. This method allows for a combination of qualitative and quantitative data to be examined qualitatively.

2 Theoretical background

Women’s empowerment has been recognised as contributing to economic growth (Habrich, 2020, p.23). McKinsey Global Institute (2015) emphasised the importance of progress towards gender parity. They pointed out that if female labour increased, a country’s Gross Domestic Product (GDP) would grow (McKinsey Global Institute, 2015). Female empowerment helps in increasing income equality and diversity and leads to economic strength (World Bank Group, 2021a, p.5). It expands human capital, helps develop a comparative advantage in specific sectors and promotes expenditure on the welfare of children, families and communities, resulting in economic growth. In turn, economic growth may promote labour demand and encourage females to quit unfavourable jobs. It can further lead to a favourable structural change if it stimulates female employment (Granatham et al., 2021, pp.77–78).

Besides, female empowerment is crucial for achieving gender equality (UN WOMEN, 2018). Removing gender inequity in entrepreneurship and the job market is linked to higher income and productivity levels. Therefore, levels of gender equality are more advanced in economically highly developed nations. A two-way causality can be recognised between economic development and legal gender equality (World Bank Group, 2021b, p.5). Recent literature further regards female entrepreneurs as a source of economic growth and development (Etim and Iwu, 2019, p.2). Other authors equally see the development of female entrepreneurship as crucial for the progress of a country, leading to sustainable economic growth. They further name women’s entrepreneurship as a component of women’s economic empowerment (Backhaus and Loichinger, 2021; Bothale, 2017; Derera et al., 2020, pp.1–2; Ghosh and Ramanayake, 2020). This is supported by the fifth UN Sustainable Development Goal, focusing on promoting gender equality and women empowerment (United Nations, 2019a, 2019b, 2022).
For a better understanding of the following chapters, the terms economic growth and development are explained in subchapter 2.1.1. Female labour force participation is commonly mentioned in economic development and growth, as they influence another (Gonzales et al., 2015, p.5). Therefore, an explanation of the term is developed in subsection 2.1.2.

Economic growth is the increase of an economy’s production or income per capita, which may be evaluated using statistical indicators such as the Gross National Product (GNP) or the GDP. The GNP comprises a country’s residents’ overall output of goods and services during a specified period that may be produced inside or outside a nation. In contrast, the GDP measures the added value created through goods and services produced within a nation in a specific time interval (Nafziger, 2012, p.14). In comparison, the term economic development combines economic growth and shifts in allocating a nation’s output and economic structure. Examples of such changes comprise the enhancement of the material well-being of poorer citizens, improved education and skills of the workforce or technological innovations. Economic development is measured by changes in capacities, such as a nation’s capability to adjust to technological changes (Nafziger, 2012, p.14).

Increased gender equity in education and employment may be beneficial to long-term growth. The labour force participation rate is a proxy for gender equality in these sectors (Seguino, 2017, p.1). Hence, this term shall be explained in the following section.

2.1 Female labour force participation

Many studies emphasise the two-way relationship between FLFP (Female Labour Force Participation) and economic growth and development (Gonzales et al., 2015, p.5). On the one hand, female labour can drive economic development. On the other hand, economic development can lead to a rise in female labour (Sher, 2014, p.3). For instance, one study claims that in some countries, economic development can have a significant positive effect on gender equality in labour force participation (Ruiters and Charteris, 2020, pp.12–13). Another source investigating OECD and developing countries discovered that GDP growth might result in rising labour force participation of women (Ghosh and Ramanayake, 2020, p.13). The labour force includes both employed and unemployed people. The labour force participation rate equals the relation between the workforce and the part of the population that is economically active by either working or seeking work (Blanchard, 2021, p.168; Sher, 2014, p.2). This rate describes the relative size of labour supply for production purposes (Sher, 2014, p.2).

Many socioeconomic factors can influence women’s ability to join the workforce. Possible reasons comprise the subsequent (Sher, 2014, p.5–6):

- A nation’s degree of economic development;
- Levels of education;
- Social norms, fertility rates and access to childcare;
- Access to finance or other productive factors;
- Institutional environment.
In developing countries, high FLFP may signify poverty because women need to sustain their families. However, they are frequently paid less than their male counterparts as they work in positions of low productivity with little protection. Besides, the number of economically active women may rise with economic shocks. The so-called U-shaped hypothesis illustrates connections between the FLFP rate and economic development. It describes that the female employment rate reaches a peak in poor economies and declines in middle-income economies due to a shift from agriculture to increased industrialisation. The reason for this development is that – given the low educational levels of women – industrialisation creates more employment for men than women. However, once women’s educational attainment improves, they will increasingly join the workforce if jobs that match their education are created (Sher, 2014, pp.1–3, 6).

Consequently, fertility rates will decline with a specific time lag (Ruiters and Charteris, 2020, p.3). Greater demand for labour in the services sector results in better employment opportunities for women. Therefore, participation rates can reflect a nation’s growth potential. However, given the extraordinary complexity of FLFP, influenced by many factors, not every country develops in a U-shape (Sher, 2014, pp.1–3, 6). Other sources claim that the U-shaped hypothesis may not apply to current developing countries unless they depend on natural resources. Specific literature suggests implementing active labour market policies to stimulate FLFP instead of depending on economic development (Ruiters and Charteris, 2020, p.3). Other issues affecting FLFP rates than the ones described by the U-shaped hypothesis may include the following (Grantham et al., 2021, pp.55–57):

- the varying relationship between household income and workforce participation;
- constraining social norms;
- the structure of economies;
- segregated labour markets;
- unpaid work burdens.

An alternative theory describes a non-linear S-shaped association between gender equality in labour force participation and development. The S-shape describes a positive influence of development on gender equality if output levels are low. Once output increases, the curve becomes flat or drops due to legal discrimination that aims to strengthen the supremacy of males. At significant economic output levels, gender equality rises again as social norms and the institutional framework change. Some researchers who discovered an S-shaped relationship recommended customised gender policies for every stage of development to mitigate adverse effects. On the one hand, scrutiny of the literature reveals that not in every country, gender equality is directly caused by economic development but can be improved through policies supporting FLFP. On the other hand, evidence shows that rising gender equality in labour force participation can positively affect economic growth (Ruiters and Charteris, 2020, pp.3–4).

Further research mentioned demographic characteristics, such as fertility and educational attainment, and government policies as factors affecting or stimulating the participation of women in the workforce. Therefore, decreased legal gender-based
discrimination can lead to more excellent participation rates for females (Gonzales et al., 2015, pp.5–8). Nevertheless, increased participation does not automatically lead to gender equality. Policies should help to move towards equity by reducing females’ challenges relating to labour force participation and decent work, as well as working conditions. Gender equality can ultimately lead to economic gains in terms of higher productivity and efficiency (Asian Development Bank, 2013, p.1). Such policies must enable improved access to secondary and higher education and training, as well as childcare and institutions that support women. Legal reforms shall help balance paid work and household obligations, improve females’ safety and promote the creation of jobs for women in the private sector (Sher, 2014, p.9).

2.2 Modern economic growth theories

Economic growth may be explained through diverse modern theories that vary in their views. A common focus area of several modern growth theories is human capital as a driver for economic progress. Human capital refers to the skills of an economy’s workers. Hence, a highly skilled workforce would make a country more productive than if workers were unskilled (Blanchard, 2021, p.254). Therefore, empowering women who are part of a country’s valuable human capital can benefit economic growth (Habrich, 2020, p.23). To explain the theory behind economic growth processes and support assumptions on the relevance of WEE, contemporary concepts shall be described in the following paragraphs. These include the Solow Growth Model, Rostow’s Five Stages of Growth, Romer’s Endogenous Growth Theory, and the Lucas Model.

The Solow Growth Model was established in the 1950s and assumes a neoclassical production function in which labour and capital inputs can be substituted in production without limitations. It further suggests that substitution is affected by diminishing returns (Sengupta, 2011, p.20). This means that the marginal product is said to decline with the increased use of capital. Besides, the model regards technology as exogenous and neglects educational skills or knowledge as human capital. These assumptions are, however, not confirmed by empirical data and probed by later economists (Sengupta, 2011, pp.5–6). Solow’s model implies that accumulated investment equals an economy’s total capital stock, while investment is regarded as the equivalent of saving or wealth.

Consequently, rising investment rates, higher GDP per capita, wealth and income may result from higher saving rates. Technological advances positively affect per capita income, increasing wealth while saving rates remain constant. In contrast, population growth and thus an increasing number of workers negatively impact the GDP per capita and wealth per worker as further capital investments are required. Therefore, Solow argued that a wealthy economy is based on high savings, technological advances and low population growth (Neilson and Wanamaker, 2010, pp.66–68).

In comparison, Rostow’s concept of 1960, the Five Stages of Economic Growth, classifies societies into the categories ‘traditional society,’ ‘preconditions for take-off,’ ‘take-off,’ and ‘drive to maturity,’ and ‘age of high mass-consumption.’ Hence, countries may be considered developing, emerging or developed, depending on their current stage. Based on this manifesto, economic growth is influenced by supply and demand. On the side of supply, entrepreneurship is recognised as a vital force determining the availability of innovations (Rostow, 1960, pp.4, 13).
Compared to the Solow model, both Romer’s Endogenous Growth Theory and the Lucas Model regard technology as endogenous or created by internal causes (Sengupta, 2011, p.6). Hence, according to these theories, technological innovations and economic growth are stimulated through human capital and technological development expenditure. Therefore, endogenous growth theories favour an intervention of the state to promote the development process (Sharipov, 2015, p.769). In both models, externalities are dynamic factors resulting in innovations stemming from previous innovations and endemic diffusion processes (Sengupta, 2011, p.29). Based on Romer (1994), economic growth results internally from an economic system. In this regard, the behaviour of an economy is a determining factor for growth (Romer, 1994, pp.3–5). Knowledge is mentioned as a central factor, and a constant supply of human capital is assumed. Therefore, economic growth shall depend on the value of human capital, defined by acquiring new knowledge. Research leads to human capital accumulation and is thus enabling economic growth. Based on this theory, growth rates will be higher in nations with more human capital accumulation (Sharipov, 2015, p.770). The Lucas Model was established in 1988, studying the growth miracles of East Asia. It suggests that the rapid growth of an economy derives from accumulating human capital by taking advantage of high learning curves in the execution of new activities on the job. Besides, differences in living standards result from human capital variations (Lucas, 1993, pp.267, 270). In addition, learning spillover shall lead to increased productivity while returns to scale rise (Sengupta, 2011, p.23).

The before-mentioned theories have emphasised the importance of human capital as a force for growth. The authors regard women’s economic empowerment as essential to promote a nation’s economic growth since women represent an important part of a country’s human capital.

Table 1 summarises the main theories that highlight the significance of human capital for economic growth.

The before-mentioned theories have emphasised the importance of human capital as a force for growth. The authors regard women’s economic empowerment as essential to promote a nation’s economic growth since women represent an important part of a country’s human capital.

<table>
<thead>
<tr>
<th>Authors/Theories</th>
<th>Main characteristics</th>
<th>Reference to human capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derera et al. (2020)</td>
<td>Female entrepreneurship and economic progress</td>
<td>Female entrepreneurship leads to sustainable economic growth</td>
</tr>
<tr>
<td>Etim and Iwu (2019)</td>
<td>Female entrepreneurship and economic growth and development</td>
<td>Female entrepreneurs are a source of economic growth and development</td>
</tr>
<tr>
<td>Grantham et al. (2021)</td>
<td>Effects of female empowerment on human capital, comparative advantage, welfare and economic growth</td>
<td>Female empowerment expands human capital and results in economic growth</td>
</tr>
<tr>
<td>McKinsey Global Institute (2015)</td>
<td>The emphasis on the importance of progress toward gender parity</td>
<td>Increased female labour leads to the growth of GDP</td>
</tr>
</tbody>
</table>
Table 1  Theories on human capital and economic growth (continued)

<table>
<thead>
<tr>
<th>Authors/Theories</th>
<th>Main characteristics</th>
<th>Reference to human capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Romer (1994); Sharipov (2015)</td>
<td>Modern economic growth theory; Factors for growth</td>
<td>Economic growth depends on the value of human capital; growth rates will be higher in nations with more human capital accumulation. Increased gender equity in education and employment may be beneficial to long-term growth. The labour force participation rate serves as a proxy for gender equality in these sectors.</td>
</tr>
<tr>
<td>Seguino (2017)</td>
<td>Gender equality and growth</td>
<td>Increased gender equity in education and employment results in long-term growth</td>
</tr>
<tr>
<td>Sher (2014)</td>
<td>Female labor force participation rate and economic development</td>
<td>Female labour can drive economic development; economic development can lead to a rise in female labor. High FLFP may be a sign of poverty, because women need to sustain their families.</td>
</tr>
<tr>
<td>World Bank Group (2021a)</td>
<td>Relevance of female empowerment</td>
<td>Female empowerment helps in increasing income equality and leads to economic strength.</td>
</tr>
</tbody>
</table>

Source: Own illustration of the authors.

3 Methodology and research design

The research aims to get an in-depth insight into women’s economic empowerment and to recognise the most relevant factors and how they influence female entrepreneurship in the selected countries. Hence, the good research approach is exploratory. Owing the complexity of the topic, which is influenced by many different factors, and the aim of gaining an in-depth insight into the issue, the authors chose exploratory over conclusive research, which provides a profound understanding of a research problem (Malhotra, 2020, p.92). Quantitative research would require using large quantities of data and investigating the complex relationships between all relevant factors (Malhotra, 2020, p.153; Creswell and Creswell, 2018, p.94). Besides, qualitative research is suitable for examining complex phenomena. Participants may find it challenging to provide sufficient information by answering structured questions, which are more common in conclusive research (Malhotra et al., 2017, p.154; Malhotra, 2020, p.93).

Based on the numerous advantages of in-depth interviews, such as great insight, easier appointment coordination, free exchange of information and less social pressure, the authors regard this method as preferable to focus group interviews. Potential challenges of such interviews should be mitigated where possible.

An evaluation of recent topic-related literature showed that several authors used qualitative in-depth interviews, focus groups, or case study analyses to investigate the respective research topic. For example, Mandipaka (2014); Madichie and Hinson (2014) and Mauchi et al. (2014) conducted qualitative in-depth interviews. BSR and the William and Flora Hewlett Foundation (2017) applied vital informant interviews and focus groups. The research was conducted at a country level with people from specific industries, women’s empowerment organisations, and similar institutions focusing on
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women. Habrich (2020), Botlhale (2017), as well as Hunt and Samman (2016) chose a case study approach for their research.

The authors’ strategy was to provide a profound understanding of the research topic of qualitative nature while taking statistical data into account. The combination of those two types of data is known as mixed methods research, and the weaknesses of each approach can be minimised. Besides, by integrating two data types in one database, the validity of both data sets can be examined. They can explain one another’s information or focus on different questions (Creswell and Creswell, 2018, pp.51–52). The combination of both quantitative and qualitative research’s strengths and data may deliver a better understanding of the research problem than quantitative or qualitative approaches alone (Creswell and Creswell, 2018, p. 57). Thus, the two research methods complement each other, and it is advised to apply them both (Malhotra et al., 2017, p.174). Mixed methods involve several design options, of which a case study is an ambitious, more complex method (Creswell and Creswell, 2018, pp.51–52).

The author’s chosen methodology is a case study analysis, a qualitative and exploratory research method (Dul and Hak, 2008, pp.4–6, 24) when research questions are formulated as ‘how’ or ‘why’ questions, the case study is explanatory (Yin, 2018, pp.43–44).

For this study, a case study analysis is regarded as most appropriate since other standard research methods such as experiments, historical research, survey research or the analysis of archival data may not be applicable for the following reasons. Experiments require a separation of the phenomenon and its context and controlling an event in a laboratory setting, which implies the manipulation of instances. Historical research usually studies past events, and survey research uses quantitative, statistical analysis and focuses on the phenomenon while being limited in examining the context (Yin, 2018, p.50; Dul and Hak, 2008, p.5).

The authors applied the case study approach due to the complexity and broadness of the topic of women’s economic empowerment and its impact on the rise of female entrepreneurship. Furthermore, there are gaps in available theory, and the context is essential. Even though case studies can include quantitative data, conclusions are based on a qualitative analysis, a visual inspection of results from a single case study, or a comparative case study. Case studies are not limited to investigating contemporary events but can also contain past instances (Dul and Hak, 2008, pp.4–6). Therefore, it enabled the researcher to combine qualitative and statistical data of past and contemporary instances, which was interpreted from a qualitative perspective. Based on the outcome, future-oriented recommendations were derived.

For the South African country case, the authors selected participants that are key informants or knowledgeable people, by reputation, who can give great insight into an issue (Patton, 2015, p.406). The researcher defined four experts based on the following criteria: An expert is an active participant who has acquired special knowledge on a specific problem by exercising an activity targeting, analysing or solving the problem, irrespective of their formal position (Bogner et al., 2009, pp.24–25). Besides, an expert may be any person in charge of or with restricted access to the expertise of specific communities. Aside from groups of people, the same criteria may also apply to decision-making processes. Hence, such knowledge is organised and accessible, practical and action-oriented (Bogner et al., 2009, p.100).
A case study can provide an in-depth insight into a research problem while considering its context, which requires the scrutiny of various data. A method called ‘data triangulation’ is helpful in this context, as it can improve the construct validity of the study. Triangulation facilitates validation of data through cross verification from more than two sources. It tests the consistency of findings obtained through different instruments and increases the chance to control, or at least assess, some of the threats or multiple causes influencing our results. It refers to collecting information from several sources to develop overlapping evidence. Such sources may include, for instance, archival records, documents, observations, structured interviews, surveys, focus interviews or open-ended interviews (Yin, 2018, pp.195–198). Secondly, to increase the case study’s reliability and provide an overview of all information, the collected data from all sources should be compiled in one database. This may be done with qualitative data analysis software or tools such as Microsoft Word or Excel (Yin, 2018, p.201). Thirdly, a chain of evidence must be maintained for enhanced construct validity. It involves cross-referencing between research questions, protocol, cited sources of evidence, case study database and findings (Yin, 2018, pp.206–207). Based on the literature’s recommendations, the authors utilised multiple sources of evidence, including documents, archival records, and semi-structured interviews. Besides, the collected data was compiled in one database. Secondary data was retrieved from statistics, reports, articles and websites.

The authors derived data from the UNDP, The World Bank and the World Economic Forum, which publish relevant data on gender, labour and economy. The obtained data focused on these topics and enhanced the outcome of this research. Secondary data was collected. The relative importance of specific topics has been elaborated, creating the basis for selecting specific indices. Therefore, the following indices were regarded as the most suitable to provide valuable insights into the investigated issues:

- FLFP rate by The World Bank
- Self-employment rate by The World Bank
- Women, Business and the Law Index by The World Bank
- Global Gender Gap Index by the World Economic Forum
- Gender Development Index by the UNDP
- UNDP Women’s Empowerment Data
- Global Entrepreneurship Monitor Data
- Doing Business Index (Starting a Business) by The World Bank

After the desk research, primary data was collected. The authors performed four online semi-structured in-depth expert interviews. The authors chose to conduct semi-structured interviews to enable participants’ flexibility while maintaining structured interviews with comparable outcomes.

The participants had to meet the conditions that define an expert and therefore possess expert knowledge on women’s economic empowerment and entrepreneurship in South Africa. Hence, the interviewees were capable of providing valuable insights into the issue by reporting on their views and expertise. The participants included representatives of local institutions and organisations associated with the relevant issues
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and female entrepreneurs. In addition to the four South African interviewees, a Professor of Management at the School of Business and Finance at the University of the Western Cape was an informant for South Africa.

The in-depth expert interviews were performed between April and June 2022. Contradictory findings from the desk research and literature review were evaluated, and open questions could be answered. The participants were asked questions related to gender equality, entrepreneurship framework conditions, policies and initiatives of WEE as well as women and economic development. In the first section, the questions let interviewees assess developments of the FLFP and female self-employment rates, the importance of female entrepreneurship over wage employment, the significance of the informal sector and the consequences of economic empowerment on gender equality. The second part described entrepreneurial framework conditions and female entrepreneurs’ challenges. The third segment aimed to describe the relationship between WEE and female entrepreneurship. In addition, the relevance and implications of specific policies and initiatives to empower female entrepreneurs were evaluated. The fourth part of the interview helped to explain the relationship between the FLFP and the economy. The role of female entrepreneurs and the importance of WEE for the promotion of economic growth were questioned.

Table 2 shows the characteristics of the chosen participants whose personal data was omitted for data protection. In chapter 4, interviewees received numbers based on the sequence of interviews, which shall make a distinction between interview responses possible.

<table>
<thead>
<tr>
<th>South Africa</th>
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<tbody>
<tr>
<td><strong>Female Entrepreneurs</strong></td>
</tr>
<tr>
<td>1) Director of a South African Automotive Company</td>
</tr>
<tr>
<td>2) Director and founder of a South African business providing language training, business skills training, and translation services</td>
</tr>
<tr>
<td><strong>Women’s Empowerment and Entrepreneurship Organisations/ Institutions</strong></td>
</tr>
<tr>
<td>3) Representative South African National Department of Small Business Development, Chief Director: Mainstreaming of Women, Youth and Persons with Disabilities</td>
</tr>
<tr>
<td>4) Assistant Director, Economic Empowerment and Participation Unit at the South African Department of Women, Youth and Persons with Disabilities</td>
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</tbody>
</table>

**Informant 1)** Professor of Management at the School of Business and Finance, Faculty of Economic and Management Sciences, University of the Western Cape

*Source:* Own illustration of the authors.

The author’s strategy was to rely on theoretical propositions relating to the assumptions made. This strategy implies the study’s goal and design-build on theoretical propositions, involving research questions and a literature review. It supports structuring the analysis, highlighting the context and concepts proposed by existing literature that needs to be investigated. It further helps assess if the study’s assumptions are valid (Yin, 2018, p.243).
For this study, the time-series analysis covered the timeframe between 2000 and 2020 for the indicators of GDP per capita at PPP and the FLFP rate. Those two indicators provided sufficient data and promised to deliver beneficial results if analysed for a specific time interval. In addition, self-employment rates between 1999 and 2019 were examined. The timeframe for this indicator was slightly different due to a lack of data for 2020. The timeframe of 20 years appeared to be adequate, as it considers various economic and regulatory developments while guaranteeing the availability of comprehensive and valid data.

The in-depth expert interviews evaluated contradictory findings from the desk research and literature review and answered open questions. The participants were asked questions related to gender equality, entrepreneurship framework conditions, policies and initiatives of WEE, as well as women and economic development. In the first section, the questions let interviewees assess developments of the FLFP and female self-employment rates, the importance of female entrepreneurship over wage employment, the significance of the informal sector and the consequences of economic empowerment on gender equality. The second part described entrepreneurial framework conditions and female entrepreneurs’ challenges. The third segment aimed to describe the relationship between WEE and female entrepreneurship. In addition, the relevance and implications of specific policies and initiatives to empower female entrepreneurs were evaluated. The fourth part of the interview was intended to explain the relationship between the FLFP and the economy. The role of female entrepreneurs and the importance of WEE for the promotion of economic growth were questioned.

The authors chose to apply an inductive approach to incorporate the variety of newly gathered information. The gathered data were merged into a Microsoft Excel sheet, sorted into four categories and 13 to 14 sub-sections. The subcategory on women’s challenges was split into 6 to 7 dimensions. The sub-group which contained measures was divided into 11 to 12 subsets. The authors applied data triangulation and asked the study participants to elaborate more on ambiguous statements to increase the study’s validity.

Privacy and confidentiality of the participants, responsiveness to their requests and applicable data protection guidelines had to be upheld. The obtained information was only used to conduct this research, and data was saved securely. The authors asked participants prior to the recording of interviews for their approval. The recordings were deleted from all devices after finishing the research. Furthermore, interview transcripts were transmitted if interviewees requested them. Participants were asked for a revision, if necessary and explicit permission to use the transcripts was obtained. Real names and identifying characteristics of participants were omitted to ensure the anonymity of the respective participants.

4 Results

4.1 Gender-related indices

Gender-related indices help to illustrate the level of empowerment in South Africa. The following indices are used to describe the current situation: The Women, Business and the Law Index, the Global Gender Gap Index, the Gender Development Index by the UNDP, UNDP Women’s Empowerment Data and data from the Global Entrepreneurship
The impact of women’s economic empowerment

Monitor, as well as the Doing Business Index. Conclusions from the indices were discussed in expert interviews.

The WBL Index measures female empowerment based on eight indicators: mobility, workplace, pay, marriage, parenthood, entrepreneurship, assets and pension. It describes how legal gender discrimination impacts female employment, entrepreneurship and the economy. The highest score to achieve is 100, and the lowest is 0. South Africa had an overall score of 88.1, which was higher than the average of 71.5 in SSA. South Africa scored high in terms of freedom of movement, laws affecting women’s decisions to work and pay, barriers regarding marriage, starting and running a business and gender gaps related to property and inheritance. Improvements were possible regarding the pension law dimension and parenthood (The World Bank, 2022b).

The GGGI (Global Gender Gap Index) allows a global comparison of progress towards gender parity and discovers gaps in dimensions related to gender and empowerment (World Economic Forum, 2021, pp.5, 8). The report evaluated countries’ performances regarding economic participation and opportunity, educational attainment, health and survival and political empowerment. Scores were presented for 2006 and 2021. South Africa ranked 18th out of 156 countries with an overall GGGI score of 0.781 out of 1.00, which would signify parity. Overall, South Africa is moving closer to parity, improving its score gradually. For economic participation and opportunity, the country attained a score of 0.658, higher than 0.556 in 2006. In terms of educational attainment, the nation achieved 0.994 points, which is close to parity. However, since 2006, about 27 countries surpassed South Africa for this dimension. The country had 0.979 points for health and survival in 2021, which is just slightly more than in 2006. Despite some improvement since 2006, the mark for political empowerment was close to imparity, amounting to 0.493 points in 2021. These developments signal that the country is gradually closing gender gaps (World Economic Forum, 2021, pp. 349-350). Overall, the country performed better than the average SSA, which obtained a GGGI score of 0.672 (World Economic Forum, 2021, p.7).

Interviewee 1 confirmed that gender inequality is decreasing in South Africa, referring to an increasing number of women taking leadership roles and being active in many sectors. She commented on the consequences of WEE on gender equality by stating, ‘As you open up to anybody, whether it is little boys or little girls, there must be a pipeline of work.’ Interviewee 1 suggested that, in the long run, women’s empowerment would result in a more even distribution. Interviewee 2 supported the positive effects of WEE and mentioned entrepreneurship as a means of empowerment. The expert claimed that women would have a voice at home. She supposed that through greater WEE, ‘more girls would go into male-dominated careers.’ The interviewee added that gender equality is part of South Africa’s constitution but still needs to be implemented. Interviewee 3 emphasised that more than half of South Africa’s population would be enabled with WEE. She claimed, ‘if you empower a woman, you empower a nation.’ Interviewee 3 remarked that women entrepreneurs would support reducing poverty and food shortages. Interviewee 4 confirmed the positive effects of WEE on families and society through the creation of jobs and greater gender equality. Informant 1 believed men could feel ‘belittled or threatened if women become the breadwinners of their families’ (Informant 1, 2022).

In terms of political empowerment, Interviewee 2 emphasised that there is a lot of enablement and gender equality in the government itself. She believed ‘there needs to be more meritocracy in awarding government positions, regardless of whether it is to men or
women.’ Interviewee 3 confirmed that women are represented in the systems and structures at all levels. Interviewee 4 suggested that there is still potential for improvement regarding equal representation in Parliament.

The society’s values are shaped, among others, by its institutional environment (Sittler et al. 2020, p.306). The GDI describes human development with a focus on gender disparity. It is a ratio of female to male HDI values. Among other sub-indices, it covers the Human Development Index, expected years of schooling of a child entering school, mean years of schooling received by people aged 25 and older and the estimated GNI per capita (2017 PPP $) for both genders. A value close to 1.00 signifies parity, indicating a small gender gap. South Africa’s HDI rank in 2019 was 114, and it had high human development. The country had a GDI value of 0.986. Females’ HDI value was 0.702, which was lower than the 0.712 of males. Women were expected to attend 14.2 years of school compared to the 13.4 estimated years for men. Women’s mean years of schooling amounted to 10.0 years in contrast to males, who attended school an average of 10.3 years. In addition, females’ estimated GNI per capita was USD 9248, compared to USD 15,095 for men. Overall, the gender gap appeared small, and South Africa was moving towards parity. However, the gap between women and men concerning the GNI was still significant. South Africa’s GDI was bigger than the SSA average of 0.894. The country also had a higher HDI than the SSA average of 0.516 for females and 0.577 for males. In addition, the expected years of schooling were higher than the SSA average of 9.5 years for women and 10.6 years for men. Likewise, the mean years of schooling were higher than the SSA average, which was 4.9 years for females and 6.7 years for males. The GNI was much above the SSA average of USD 2,937 for females and USD 4434 for males (UNDP, 2019a).

The UNDP Women’s Empowerment Data covers 13 female empowerment-related indicators divided into three dimensions: reproductive health and family planning, violence against girls and women and socio-economic empowerment. In this research, the dimension of socioeconomic empowerment shall be given special attention. It covers data on the following dimensions (UNDP, 2019b):

- The proportion of women in total employment in senior and middle management
- The percentage of women aged 15 and older with an account at a bank or other type of financial institution or who use a mobile money service
- The days of mandatory paid maternity leave

South African females’ share of senior and middle management employment amounted to 33.3 percent between 2009 and 2019. In 2017, 70% of South Africa’s female population aged 15 and older had an account at a financial institution or with a mobile money service provider. These percentages grouped South Africa into the middle third of all investigated countries. Regarding the days of mandatory paid maternity leave, South Africa’s government and employers granted mothers 120 days. Hence, the country was found in the top third of all countries. There was no SSA average for females in management positions available. The SSA average of women with a financial account was 35.9%. In SSA, the average mandatory paid days of maternity leave amounted to 91 days. Therefore, South Africa performed better in both aspects (UNDP, 2019b).
Interviewee 2 commented on females in management positions, saying that ‘there are many women managers.’ Interviewee 1 confirmed this observation. Interviewee 2 further elaborated that companies must have equality in their workforce based on the South African Constitution. She added that women and minorities must be represented at every level in companies of any size.

The GEM database lists statistics on entrepreneurial framework conditions (Global Entrepreneurship Monitor, 2021). A score of 1 signifies high insufficiency, while 5 means highly sufficient. The data in Table 3 demonstrates that South Africa’s scores deteriorated over time and that there was an excellent potential for improvement. The decline in South Africa’s scores implied a negative development of entrepreneurial framework conditions. The Ease of Doing Business Index and interviews further assessed the framework.

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Source: Own illustration, based on Global Entrepreneurship Monitor (2021).

The Ease of Doing Business Index ranks 190 countries based on their performance across several topics that are related to doing business. It provides statistics on ten dimensions, such as starting a business, registering property or getting credit. However, only the aspect of starting a business provides data separated by gender. In 2020, in South Africa, women took about 40 days to start a business, with a cost of 0.2% of income per capita, which was the same for men. The total number of procedures required to register a firm, such as interacting with lawyers or notaries, was 7 for both genders. Compared to the SSA average, South Africa performed better regarding procedures and cost. In SSA, females needed an average of 7.5 procedures and 36.3% of their per capita income to start a business. However, the average time Sub-Saharan African women started a business amounted to 21.6 days, almost half of the 40 days in South Africa illustrates South Africa’s challenging entrepreneurship framework conditions in 2020. The least advanced topics were trading across borders, starting a business, and getting electricity. Also, several other dimensions were unfavourable, such as registering property or enforcing contracts. Overall, South Africa had the 84th Doing Business Rank, scoring 67 (World Bank Group, 2020).

Interviewee 2 claimed that the ease of business in South Africa varies per industry. She found it easy to start and run her business in the South African framework. Interviewee 3, however, argued that formalising a firm is linked to high business costs and requirements for compliance. Interviewee 4 added that the lending criteria established by financial institutions are creating barriers for women entrepreneurs.

Based on the results of the before-mentioned indicators, the South African framework for female entrepreneurs could be perceived as challenging. Interviewee 1, however, stated that the government is providing much support to registered female entrepreneurs. She listed supportive institutions such as the Department of Trade and Industry (DTI),
Small Enterprise Development Agency (SEDA) and Continuing Education for Africa (CEFA). Interviewee 2 mentioned that ‘there is much talk to assist and to aid women entrepreneurs and small businesses’ and demanded action. Interviewee 3 believed South Africa has a very progressive and healthy entrepreneurship framework. She referred to institutions developed by the government and mentioned the Department of Women, Youth, and Persons with Disability to focus on women’s empowerment across all regions and levels of society, among others. Interviewee 3 further explained that the government guaranteed the representation of women at all levels. However, she highlighted that implementing policies is still an issue in South Africa. The expert added that governments should assist informal businesses by formalising the informal. As opposed to the statements of Interviewee 3, Interviewee 4 argued that ‘the enabling environment is not supporting new and established entrepreneurs as it is supposed to be.’ She added that social relief measures need to be reviewed in more detail. Informant 1 stated that since 1994, the South African government had launched several initiatives to support female entrepreneurs (Informant 1, 2022).

In terms of educational and entrepreneurship programs, Interviewee 1 stated that plenty of help is available in the form of training programs. Interviewees 1 and 2 were part of one initiative called the GracaMachel Trust Women Creating Wealth Programme. Interviewee 2 underlined that this program was helpful and equipped her with excellent knowledge. She added that many similar programs and business networks for different target groups are available. Interviewee 4 stated, however, that some women lack access to networks, preventing them from closing the knowledge gap in entrepreneurship.

Despite some initiatives, the education barrier was mentioned to be an obstacle. Interviewee 4 listed the lack of financial literacy, access to formal education and business skills as decisive factors for women to enter formal entrepreneurship. Interviewee 3 expanded that statement by mentioning that training is not yet targeted to meet specific needs. Interviewee 2 articulated that education is not necessarily a problem and neglected the importance of a university degree. However, Interviewee 2 believed that women should be given more information about medical insurance, retirement, investment plans and savings.

Furthermore, access to funding could represent a barrier for female entrepreneurs. Interviewee 1 stated that for women who want to grow their businesses, limited access to finance might be an obstacle. She believed that banks might not trust women to pay back their loans. The expert added that informal women entrepreneurs struggle to comply with legislation and requirements. Furthermore, Interviewee 1 claimed that banks would charge interest rates for loans that are too high, and she demanded better regulation through policies. Interviewee 2 confirmed the hurdle of accessing finance from traditional financial institutions due to large information requirements. Interviewee 3 reiterated the notion by stating that ‘women have to struggle five times before they can get funding from funding institutions as compared to their male counterparts.’ She agreed that obtaining money from friends and family would be easier and advocated private funding institutions. Interviewee 3 further explained that there needs to be better oversight of the distribution of funds. She pointed out that funding often does not reach entrepreneurs in rural areas. Interviewee 4 claimed that most women lack formal qualifications to fulfil lending criteria and financial literacy. Informant 1 pointed out that in the past, the requirements for loans were designed for men. The burden of limited financial access is lightening (Informant 1, 2022). Interviewee 2 added that entrepreneurship would be associated with risks.
Aside from access to finance, Interviewee 1 and 3 mentioned a lack of access to market and sustainable work opportunities. Interviewee 4 agreed and expanded this finding by listing the lack of knowledge and skills, the dominance of large firms and the lack of access to finance as causes for limited access to markets. She added that women-led Small, Medium, and Micro-Enterprises (SMMEs) in rural and poorer areas suffer from structural inequality. Interviewee 1 argued that competing with big, well-protected corporates is challenging for small businesses. Interviewee 2 mentioned marketing support to be another deficiency.

Interviewee 1 explained the challenges of growing a business in the informal sector. She claimed that applying for a loan was complicated, and much support excluded the informal sector due to rigid requirements. Interviewee 2 mentioned the high share of informal employment as both an advantage and disadvantage. She claimed that its informality deprives women of social protection. As an upside, Interviewee 3 mentioned that informal businesses could strengthen the economy. The expert highlighted that the entry barriers for the informal sector are low on the one hand, but on the other, the security is lower. In addition, she mentioned scarce access to facilities and funding. Interviewee 4 claimed an income gap between workers in the formal and informal sectors. Interviewee 4 elaborated on the barriers preventing women from entering the formal sector. She pointed out that the lack of business skills, access to formal education and access to entrepreneurship and business networks are contributing factors. Interviewee 4 also highlighted that ‘women still do not have access to technology.’ She further listed gender discrimination and bias as barriers to entering the formal sector.

In addition, another challenge is the work-family life balance. Interviewee 1 pointed out that most women, especially ‘single moms,’ might struggle to balance work and family life. Interviewee 2 confirmed this observation. Interviewee 3 emphasised that women ‘still have the burden of carrying loads of their families at home.’ Interviewee 4 agreed with the other three participants and mentioned the issue of gender discrimination and bias.

Socio-cultural norms further influence the entrepreneurship framework. Interviewee 1 mentioned that people might not be taken into consideration because of their gender or the colour of their skin. Interviewee 2 agreed that there are significant issues of socio-economical imbalance and raised the topic of the so-called ‘Black Tax.’ This concept forces women entrepreneurs to pay back a part of their income to their families and communities. She elaborated that women find it challenging to generate wealth due to this social norm, which will take a long time to change. Interviewee 3 claimed that women must carry the most significant load due to social norms. Interviewee 4 agreed that there are still challenges in balancing business and feminine responsibilities, as well as gender discrimination and bias. Informant 1 stated that the traditional setting exists, but men increasingly accept support from their female counterparts (Informant 1, 2022).

Moving on, Interviewee 2 explained that there is also an issue of safety and protection of women. She pointed out that the environment is not safe for women due to gender-based violence. She added that ‘there is no proper public transport system’ and that ‘women have to walk long distances home in the dark.’ Interviewee 3 emphasised that the security in the informal sector is low, and protection through systems is lacking.

Female entrepreneurs in South Africa also face hurdles related to the fulfilment of basic needs, as mentioned by Interviewee 2. She reported electricity blackouts, which was confirmed by Interviewee 4. Interviewee 4 added that due to load shedding, women entrepreneurs could produce fewer goods and services. Interviewee 3 reiterated this
notion by saying that women frequently do not have access to the internet. This observation was confirmed by Interviewee 4, stating that ‘there is also a low Information and Communications Technology (ICT) penetration rate.’ She pointed out that SMMEs would need appropriate access to technology to enter the formal market and achieve a competitive advantage.

4.2 Female labour force participation

In SSA, the labour force participation rate of females aged 15 years or older amounted to 59.6 percent in 2020. Compared to other regions in the world, such as Latin America, East Asia, the Pacific, North America and the European Union, more females were economically active in Sub-Saharan Africa. Between 2000 and 2020, the FLFP gradually decreased from 63.7 to 59.6% (The World Bank, 2022a). High rates of FLFP are not necessarily a good sign, as women often work out of necessity. Therefore, in Sub-Saharan Africa, more than 40% of women aged 65 or older are still in the workforce. Besides, women in SSA frequently have low-paid jobs that are poorly protected, and most of these women are employed in the informal sector. The agricultural sector is an essential provider of such jobs. Often, women fulfil unpaid work such as care and domestic duties (UN WOMEN, 2016, p.1). In Sub-Saharan African countries with previously lower enrolment in schools, greater enrolment of younger females could have led to a decrease in the FLFP rate. Therefore, females temporarily leave the workforce to attend school, which can positively affect the value of a nation’s human capital (Backhaus and Loichinger, 2021, p.25).

Figure 2 shows the Labour Force Participation Rates (LFPR) of the female and male South African population aged 15 years or older from 2000 until 2020. The figure illustrates that the FLFP rate has been steadily below the LFPR of males. After a decrease in the gap between 2002 and 2007, it widened again and has not fallen below 13.4% since then. The FLFP fluctuated slightly over the investigated timeframe and reached 44% in 2020, compared to a participation rate of males of 57.4% (The World Bank, 2022d). The time series by The World Bank is based on ILO estimates and has been harmonised for better comparability across countries and over time (The World Bank, 2022c). Figure illustrates that there is a disparity between genders in South Africa. However, the statistics do not include unpaid workers or those employed in the informal sector (The World Bank, 2022c).

Interviewee 1 explained the participation rates and claimed that big corporates are not yet fully willing to incorporate and enable women to succeed. She highlighted the importance of making people aware of the value created by integrating women into the industry. Interviewee 4 reiterated this statement: ‘We need to empower women to be able to participate in those sectors and make an impact.’ Interviewee 1 pointed out, ‘The more we do it, the more we engage, the more we try, the more we show capability and continuously improve, we will get there, but more can be done.’ Interviewee 3 confirmed that the conditions are very challenging for women. She mentioned that due to greater transparency, ‘in the public sector, the issue of the gender wage gap can be bridged.’ However, she argued that ‘the likelihood of your salary being lower than that of your male counterparts is very high in the private sector.’ Interviewee 4 contributed to this opinion by saying, ‘it is lack of economic power that exposes them to injustice in society.’ Interviewee 2 added, ‘many women are still not economically empowered. They depend on their male partners or other people for finance.’ Interviewee 3 agreed to a
large extent that there is an insufficiency in women’s economic empowerment. She mentioned that the situation is more dramatic in poorer and rural areas and for women with disabilities or undereducated females. Interviewee 4 confirmed that ‘different groups of women experience very different gaps in pay.’ An informant stated that the South African Constitution favours women’s employment and economic opportunities. However, socio-cultural norms prevent women from occupying higher positions (Informant 1, 2022).

**Figure 2** Labour force participation rates in South Africa from 2000 to 2020, % of the population aged 15+, modelled ILO estimate

On average, the informal sector in Sub-Saharan Africa contributes 38% to a nation’s GDP. Agriculture has the most significant share in the informal sector, followed by industry and services (McKinsey Global Institute, 2019, p.15). In South Africa, three out of ten employed people work for the informal sector. These statistics highlight the relevance of the informal sector as a provider of employment in times of rising unemployment rates. 4.5 million South African people conduct unregistered work, excluding numbers of employees in agriculture. Out of this number, 400,000 people work in the formal economy under poor conditions. 1.3 million workers fulfil domestic work, and 2.8 million people are employed in the informal sector. Most of the unofficial sector in South Africa is formed by own account workers (without employees). Studies state that informal employment positively contributes to mitigating poverty (IEJ, 2018, pp.1–2). This observation was confirmed by Interviewees 4 and 1, who mentioned the additional income generated through everyday work. Interviewee 3 referred to this observation as survival entrepreneurship. Another expert confirmed that female-run businesses are frequently informal (Informant 1, 2022). In 2014, the informal sector’s contribution to South Africa’s GDP amounted to around 6%. The sector is strongly related to the formal sector through purchases and supplies and distribution processes. In addition, informal domestic and care workers enable others to take on jobs in the formal economy (IEJ, 2018, pp.1–2).

Figure 3 shows the self-employment of the female and male South African employed population from 1999 until 2019. The figure illustrates that before 2009, the share of self-employed females of total female employment was higher than that of males. The
percentage of self-employed females decreased from 22.3 in 1999 to 13.3%, while the number of self-employed males rose to 18.7% in 2019 (The World Bank, 2021b). The time series by The World Bank is based on ILO estimates and has been harmonised for better comparability across countries and over time (The World Bank, 2021a). Figure 3 illustrates the disparity between genders regarding self-employment in South Africa. The gap between genders was 5.4% in 2019. The statistic divides self-employed workers into the following categories: self-employed workers with employees (employers) and without employees (own account workers), members of producers’ cooperatives and contributing family workers (unpaid family workers) (The World Bank, 2021a). Therefore, the statistic may include those who are self-employed but not directly referred to as entrepreneurs, as the definitions in chapter 2 suggested. In general, South African females’ share of total female and male self-employment was 34.17% in 2021, while males constituted 65.83% (ILO, 2021).

Figure 3  Share of self-employment by gender in South Africa between 1999 and 2019, % of female and male employment, modelled ILO estimate

Despite decreasing numbers of self-employed females, Interviewee 1 underlined the significance of female entrepreneurship by stating that ‘it is essential that we start having more women have a say, having a foothold, showing a capability in different industries and be included.’ She also pointed out that a growing number of women entrepreneurs will increase the trust in women and their capabilities, which will help them to grow and expand the community. Interviewee 1 further commented on the motivational factors of becoming an entrepreneur, stating that it comes with flexibility and helps to care for the family. Interviewee 2 added that entrepreneurship is crucial for generating income for women, their families and their communities. Interviewee 3 confirmed the challenges in finding regular employment, especially in crises and expressed that entrepreneurship can be an alternative means of livelihood. She highlighted that some women become entrepreneurs out of choice, but many are pushed into entrepreneurship due to unfavourable conditions. She claimed they frequently work in the informal sector, and entrepreneurship may be their last resort. Interviewee 4 confirmed the necessity of entrepreneurship to generate household income and the importance of the informal
sector. She further shared that entrepreneurship ‘allows them to work fewer hours and combine their income generating activities with domestic household tasks.’ Interviewee 4 also elaborated on the positive impacts of female-run businesses on a country’s economy, reducing poverty, and creating jobs. Informant 1 confirmed the importance of female entrepreneurship, which can give women a feeling of belonging (Informant 1, 2022).

The assessment of indicators suggests that South Africa is gradually closing gender gaps, performing better than the average SSA for the GGGI. It improved economic participation and opportunity but slowed down its progress in educational attainment and political empowerment. The interviewees confirmed that the country is moving towards gender equality and that WEE and entrepreneurship could assist by empowering the nation, reducing poverty, and creating jobs. The interviewees recognised some political empowerment with room for improvement. Despite some initiatives, education was mentioned to be an obstacle. South Africa generally has high human and gender development, outperforming the SSA averages. The gender gaps in HDI and schooling appeared to be minor, and South Africa is moving towards parity.

Nevertheless, there was still a significant gap in terms of GNI. South Africa has an average share of females in management positions and financial accounts. The country performed exceptionally well in terms of maternity leave. Increasing numbers of females in management positions were confirmed during the interviews.

South African females have freedom of movement and benefit from laws on work and pay, marriage, starting and running a business, and property and inheritance. Improvements are possible regarding the pension law dimension and parenthood. According to the GEM, the nation’s administration must enhance entrepreneurial framework conditions regarding entrepreneurial finance, governmental support and policies, entrepreneurship programs and entrepreneurship education in schools. The interviewees also mentioned these deficiencies. Also, the Doing Business Index suggested challenging entrepreneurship framework conditions. The highest potential was recognised in trading across borders, starting a business, getting electricity and registering property. The interviewees perceived differences per industry but said registering a business could be linked to strict requirements and high costs. In addition, stringent lending criteria were mentioned. Overall, some interviewees believed that the government and institutions offer female entrepreneurs extensive support, and the entrepreneurship framework would be beneficial. However, the implementation was criticised, and informal entrepreneurs seem to be neglected. According to the interviewees, the following aspects are the most challenging for female entrepreneurs in South Africa:

- education and training,
- access to finance,
- access to market,
- lack of support for the informal sector,
- balancing work and family life,
- socio-cultural norms,
- safety and protection,
- and a low ICT penetration rate.
Subsequently, the level of empowerment, the FLFP and self-employment rates are reflected. South African females’ official LFP and self-employment rates are currently lower than those of males, recently neither indicating a contraction of the gap nor significant increases in females’ rates. These statistics could signify insufficient WEE. The interviewees mentioned social norms, gender discrimination, lack of economic power, the gender pay gap, unemployment and a vast informal sector as contributing factors to low-participation rates. According to the interviews, more empowerment must be needed to raise official numbers.

Regarding self-employment rates, the interviewees explained that South African women could become entrepreneurs out of choice or necessity. Many women work informally, indicating that the numbers of female entrepreneurs in South Africa are inaccurate. Besides, the participation rates could be linked to the previously described challenging entrepreneurial framework conditions and constrained economic opportunities for females. The interviewees highlighted the importance of entrepreneurship and described several positive effects. The author assumes excellent potential for women’s economic empowerment in South Africa. Government policies and initiatives can help to empower women.

4.3 Policies and initiatives

Literature suggested various definitions of the relationship between WEE and female entrepreneurship. Interviewee 1 described the relationship between empowerment and female entrepreneurship as a journey. Interviewee 2 added that the connection between the two concepts is essential and that increased empowerment through entrepreneurship will empower other women to follow their peers’ paths. Interviewee 3 believed that empowerment and entrepreneurship are interrelated. She continued by saying that female entrepreneurship is a source of empowerment for women. Interviewee 4 added that entrepreneurship could elevate women’s economic, financial, and social status and lead to gender equality. All four interviewees mentioned women’s economic empowerment to be essential to creating successful entrepreneurs. Informant 1 believed that both genders must be empowered and included to drive the economy (Informant 1, 2022).

In literature, the direct labour market intervention by the government was recorded as one empowering measure. Interviewee 1 claimed that the South African government would usually not intervene in the labour market and that each industry’s Bargaining Council would regulate according to legislation. She mentioned governing bodies such as the National Economic Development and Labour Council (NEDLAC) to be involved in wage negotiations. Interviewee 2 indicated that the government could help small businesses in the private sector by offering employment opportunities. She added that currently, the government is supporting women in agriculture by providing them with the land. Interviewee 3 mentioned that the Employment Equity Act ensures employment equity. She added that there is a Commission for Gender Equality. Interviewee 4 stated that the government intervenes through various policies to reduce inequality and market failure. She found policies to be effective and well monitored and listed policies related to women’s financial inclusion, the constitution of the Republic of South Africa, the Employment Equity Act, and gender-responsive planning, budgeting, monitoring and evaluation. In contrast, Interviewee 1 demanded a better, transparent process and oversight of implementing policies. Hence, there was a discrepancy in the interviewees’ perceptions regarding the effectiveness of policies.
According to literature, constitutional, legal and institutional reforms could enable female entrepreneurs. Interviewee 2 claimed that ‘South Africa has the most modern constitution in the world.’ She continued to explain that there would not be a need for reform but better implementation. The expert shared that women are involved in government and legislation at the highest level due to the constitution. Interviewee 3 confirmed the need for a strengthened implementation and monitoring of the existing constitution, policies, legislative framework and instruments. She also demanded better coordination and collaboration between institutions, government, the private sector and civil society. Interviewee 1 emphasised that oversight of the implementation and penalties for misconduct are vital.

Interviewee 2 suggested a better implementation of gender-responsive laws and policies and their enforcement. Interviewee 1 found them very important but highlighted that it would take a long time to see change. Interviewee 3 agreed that such policies would contribute to women’s empowerment if they targeted women’s specific needs and challenges. Interviewee 4 referred to an existing gender-responsive framework with the objective of equal distribution of resources to eliminate gender disparities. She emphasised that the government could empower and uplift the status of all women through an integrated and collaborative approach that includes the private sector and civil society. Informant 1 found the previously mentioned laws and policies relevant but emphasised that women do not want to be treated as the weaker gender (Informant 1, 2022).

Extended access to resources, assets and institutions was cited by literature, as well as interviewees. Interviewee 1 expressed that more could be done for women in this respect. She added to this statement that laws, preventative measures, and corrective actions should ensure fair treatment of genders. She suggested reviewing existing data on women entrepreneurs to examine the required resources. According to Interviewee 2, support in terms of equipment would be needed, i.e., in farming. She claimed that South Africa already has an excellent system of laws, but they must be implemented more effectively. Interviewee 2 believes there is a huge demand for government spending on women-owned small businesses. Interviewee 3 suggested better coordination to ensure equitable distribution of resources. She shared that it is crucial to support women with resources, such as skills, training, space and facilities, from outside the government. Informant 1 advocated equal access to resources (Informant 1, 2022).

Lack of access to technology and data was mentioned to be a challenging factor. Interviewee 3 voiced the necessity of digital inclusion and consideration of female entrepreneurs’ limitations in this respect.

All four interviewees listed access to finance as one major challenge for female entrepreneurs. Therefore, Interviewee 4 suggested government intervention in financial institutions to ensure structures and policies that benefit women. Interviewee 1 agreed that policies should guarantee fair treatment. Interviewee 3 supported the demand for extended access to finance and suggested small seed funding. She also recommended private funding institutions and better oversight of the distribution of funds – specifically to reach rural areas. Interviewee 2 regarded targeted financing mechanisms such as microfinance as helpful for women in the informal sector.

Women are also deprived of access to markets. Therefore, according to Interviewee 2, extended market access will be vital. She mentioned the need for a guarantee of markets where entrepreneurs, such as farmers, can sell their products. Interviewee 3 stated that women’s needs should be considered in all negotiations
concerning gender-responsive macroeconomic policies. Informant 1 found macroeconomic policies necessary (Informant 1, 2022).

Increased expenditure on education, managerial, financial skills development and work-related training programs was addressed as an initiative to empower women. Interviewee 1 expressed that ‘education and programs, skills development, skills transfer and mentorship are essential. It is what we need to sustain us.’ She continued by stating that entrepreneurship programs should not be done in bulk but in quality. Interviewee 2 agreed that there is a need for training. She added that educational programs would be good at any level and should transfer knowledge about managing finance, banking, savings systems and medical insurance. Interviewee 3 argued that there is an expenditure to train entrepreneurs, but it must address women’s particular needs. Interviewee 4 added that increased investment in education is critical, and given the right skills and opportunities, women entrepreneurs will be enabled to grow their businesses. Informant 1 believed that more women would participate in the economy and upscale their businesses (Informant 1, 2022).

In addition to education, supporting women’s collective action and leadership, mentoring programs, entrepreneur networks and associations could strengthen female business owners. Interviewee 1 explained that such initiatives are highly relevant because, as a collective, women could add value and grow each other. However, she pointed out that the impact of organisations and associations must be quantifiable. Interviewee 2 shared that many business networks exist for different target groups in South Africa. The expert argued that there is a need to support more women’s collective action and training and mentoring programs, which should start at the school level. Interviewee 3 advocated the coaching and mentoring of women through the private sector and local and foreign organisations. Interviewee 4 confirmed that business and entrepreneurship networks and associations benefit women by sharing challenges and experiences.

Furthermore, female role models were mentioned to be critical actors of WEE. Interviewee 1 mentioned that some women are excellent leaders and would need to be multiplied and strengthened. The expert added that the sum of small contributions would make more people aware of women’s potential and help them to grow. Interviewee 4 reiterated this notion by saying that ‘women entrepreneurs inspire others to start businesses’ and that they would create jobs.

Shaping socio-cultural norms and attitudes is a robust measure of empowerment that will take some time, as Interviewee 2. She added that South Africa has excellent gender-based violence and teenage pregnancy problems. The interviewee claimed that social norms must change to give young women better perspectives in life. Interviewee 1 emphasised the necessity of a group effort that includes men, starting from the age of a boy child. Interviewee 4 expressed a demand for an integrated and collaborative approach to empower and uplift the status of women in society. Like Interviewee 4, Interviewee 2 agreed that men must be encouraged to support female policies. Informant 1 saw a need to re-schooling men (Informant 1, 2022).

Enabling a balance between paid and unpaid work could strengthen females. According to Interviewee 1, it is highly relevant, but implementing flexible hours for women might be difficult in some industries. Interviewee 2 claimed that flexible work schemes are available for employees but not applicable to business owners. She continued by affirming that entrepreneurs could work at different times. In addition, the expert believed that more affordable childcare facilities should be offered. Informant 1
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claimed that a rising number of childcare facilities are accessible in certain areas (Informant 1, 2022).

Increased safety and inclusive social protection could enhance female entrepreneurs’ lives. Interviewees 1 and 2 pointed out that a safe environment would empower more women. Interviewee 2 saw a need for a better public transport system. Interviewee 1 added that the government created good policies protecting workplace employees. Interviewee 4 elaborated that the government established the National Strategic Plan on gender-based violence and femicide. According to Interviewee 4, the program aims to ‘proactively respond to and transform structural drivers of gender-based violence.’ She added that women’s unequal economic and social position is addressed through ‘access to government and private sector procurement, employment, housing, land, financial resources, income and other generating initiatives.’ Interviewee 4 mentioned that safe workplaces are on the agenda of government interventions.

Interviewee 3 requested more security for the informal sector, protection through systems, better regulation by the government, and access to facilities and funding. Interviewee 1 agreed that easier access to loans would be beneficial, and the informal sector should be supported by easing requirements. In addition, she found mentorship and support facilities helpful. Interviewee 2 mentioned the necessity of social protection. Interviewee 4 listed support through business skills, formal education, access to entrepreneurship and business networks and access to technology. She also perceived a need to close the income gap between formal and informal.

4.4 Economic progress

Figure 4 gives an overview of the economic development in South Africa in the last twenty years. It displays the changes in GDP per capita at PPP, which expresses the value created through goods and services produced in a country in a year and the related income or spending on final products. Therefore, this indicator illustrates economic growth, levels of consumption, and standard of living within a nation. Over the past two decades, South Africa’s GDP per capita at PPP increased steadily from USD 8498 in 2000 to USD 13,360 in 2020. Despite increasing numbers, the GDP dropped in 2020 (The World Bank, 2022e).

South Africa is an upper-middle-income country and the second largest economy in Africa. The country has been part of the ‘BRICS’ emerging economies (Brazil, Russia, India, China and South Africa) since 2011. South Africa is technologically more advanced than any other African nation, hosting many industries and operating as the trade and financial hub of the Southern African Customs Union (SACU). Its economic value amounts to over 90% of the SACU GDP. In 2014, the country’s most important sector in terms of GDP contribution was the services sector (i.e., finance, government services, wholesale/retail), followed by manufacturing. Despite manufacturing’s large share of GDP, its relevance declines as the economy transforms into a service-based one. In 2014, trade accounted for about 65% of GDP (WTO, 2014, pp.284–285). South Africa’s economy is expected to grow slowly (Atlas of Economic Complexity, 2019).
Interviewee 1 commented on the role of female entrepreneurs as a source of economic growth. She stated that including women is ‘fundamental to the growth of any economy.’ Interviewee 2 confirmed this observation. Interviewee 1 added, ‘economic empowerment is for women and women’s participation fundamental.’ Interviewee 4 elaborated on the topic, arguing that ‘if more women-run businesses, it stimulates the economy, reduces poverty and creates jobs.’ She enhanced her statement by adding that ‘women entrepreneurs play a significant role in the South African economy by improving the welfare.’

The consequences of WEE on economic growth were reflected by Interviewee 2, who expressed that the wealth created by women is spread in the community and networks around them. Interviewee 3 mentioned that the empowerment of women would lead to increased sustainability. Interviewee 4 underlined that empowered women could help businesses, markets, and national economies to grow. She confirmed that they would contribute to sustainable development. Informant 1 believed that WEE and greater FLFP would boost the economy (Informant 1, 2022).

The entrepreneurship framework conditions are challenging, there is great potential for women’s economic empowerment, and the FLFP and self-employment rates do not fully exploit their potential. At the same time, South Africa’s GDP per capita at PPP has increased steadily, diminishing between 2019 and 2020. Based on the assumptions of recent literature and interviewees, economic growth could be promoted through human capital and women’s empowerment.

5 Conclusions

The analysis of women’s economic empowerment and its impact on the rise of female entrepreneurship in South Africa emphasised the importance of WEE. Factors that contribute to WEE and impact the rise of female entrepreneurship were evaluated. Specific policies and initiatives to drive WEE and the rise of female entrepreneurship
were recognised. In addition, positive effects on the country’s economic progress and achieving gender equality were identified.

It was found that South Africa has greater equality between genders than SSA overall. Likewise, in South Africa, gender development and human development, schooling and gross national income were more favourable than, on average, in SSA. South Africa’s situation in terms of the gender gap in gross national income was found to be severe. Women’s participation in management positions seemed to be on the rise.

The entrepreneurship framework has potential for improvement in South Africa. The interviews confirmed challenging conditions, which, however, seem to improve. The significant barriers were identified as education, finance and other resources, access to information, low ICT adoption, balancing work and family life, socio-cultural norms, a lack of safety and social protection and a lack of support for the informal sector.

In South Africa, female labour force participation was considered lower than their male counterparts’ share. Obstacles such as high unemployment, the dominance of the informal sector, gender discrimination and limited access to resources influenced low-participation rates. To raise women’s workforce participation and female entrepreneurship, WEE was identified to be crucial.

Based on the research outcome, the authors recommend the implementation and enforcement of the following empowering measures to enable women and female entrepreneurs:

- A direct labour market intervention shall be considered in South Africa to reduce inequality and market failure;
- Policies and more significant support for the informal sector are required to be enhanced, i.e., through better regulation of the sector, mentorship and support facilities, social protection, access to facilities, funding and education, access to business networks and technology;
- South African authorities must address the implementation and oversight of policies, the constitution and the legislative framework and instruments;
- The South African government shall promote better cooperation with institutions, the private sector and civil society;
- South Africa should review, adapt, strengthen and enforce gender-responsive laws and policies;
- Extended access to resources, assets and institutions needs to be enabled;
- The country’s authorities must guarantee female entrepreneurs’ access to finance, micro-finance and private funding institutions; institutions must implement simpler processes and supervise the distribution of funds; education towards financial literacy will be crucial;
- South Africa must expand ICT adoption, promote digital inclusion and provide ubiquitous access to electricity;
- Greater access to markets shall be enforced;
- Initiatives and expenditures for targeted education and training programs for females must be implemented;
Gender-responsive macroeconomic policies shall be considered as a measure in South Africa;
The country must enable more extraordinary women’s collective action and leadership, mentoring, entrepreneur networks and associations;
The country’s administration shall help in educating citizens to shape socio-cultural norms and attitudes that benefit and empower women; men must be included in this movement;
A balance of paid and unpaid work shall be enabled through affordable and approved childcare facilities, nannies and flexible work schemes;
More inclusive social protection needs to be offered to women.

The results of this research confirmed the authors’ assumptions that women’s economic empowerment impacts the emergence of female entrepreneurship in emerging markets. It was confirmed that there might be a strong connection between WEE and female entrepreneurship. The two concepts may be interrelated, and entrepreneurship can be a means of empowerment. Women entrepreneurship can elevate women’s economic, financial and social status and lead to gender equality. WEE was identified to be vital to creating successful entrepreneurs. As expected, the research further demonstrated that selected gender-specific policies and initiatives could influence the success of female entrepreneurs. The interviewees saw a significant benefit in previously mentioned empowerment measures.

Finally, it was found that the promotion of female entrepreneurship can have a positive effect on the economic progress of South Africa. In addition, it was confirmed that women entrepreneurs could drive economic growth and development in South Africa. They create jobs, alleviate poverty, improve welfare and stimulate innovation. WEE helps female business owners to sustain and grow their companies and contribute more to the country’s GDP. Hence, WEE can lead to more wealth in society and foster sustainable growth and development.

However, the importance of the informal sector was surprising. Also, socio-cultural norms seem to influence women entrepreneurs’ opportunities more than expected significantly. In addition, the authors did not anticipate ICT adoption and lack of access to electricity to be a barrier to a great extent.

In response to the problem statement, which highlighted women entrepreneurs’ disadvantaged situation, the authors emphasised the significance of WEE for female entrepreneurs. The identified research gap could be reduced by providing an in-depth insight into the link between WEE and female entrepreneurship. The research questions were answered effectively through a case study analysis, and a great understanding of the underlying issues and their influences was delivered. It was beneficial to combine data from various sources to ensure the validity of the results.

The authors recommend further research on how socio-cultural norms can be shaped in the SADC region. In addition, additional research will be required to describe how greater access to finance can be enforced. Owing the significance of the informal sector, the authors suggest that future studies could address initiatives to support informal entrepreneurs explicitly. As a lack of political empowerment was recognised, future studies could address this issue. Furthermore, research on the promotion of greater digital inclusion will be beneficial. Finally, the authors recommend an investigation of the most
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effective gender-responsive laws and policies. It might be helpful to assess the laws and policies of prosperous nations in this regard.

Based on the findings, the authors believe that if Sub-Saharan African women entrepreneurs are empowered adequately, they transform into successful entrepreneurs and contribute to their nations’ economic growth and sustainable development. WEE will be vital to shaping a prosperous future for currently disadvantaged females in South Africa.

References


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