



## small business development

Department:  
Small Business Development  
REPUBLIC OF SOUTH AFRICA

**KEYNOTE ADDRESS BY MINISTER STELLA NADABENI-ABRAHAMS**  
**WCRC WOMEN'S DAY EVENT, UKZN**  
**10 AUGUST 2024**

Programme Director

Fellow speakers Sandiswa Mncube; Fortunate Sosibo; Pinky Mnyaka

Women academics, entrepreneurs, professionals and students;

Ladies and gentlemen present

The 9<sup>th</sup> of August was declared as National Women's Day by Tata Nelson Mandela in honour of the more than 20 000 women who marched to the Union Building in 1956 to protest the extension of pass laws to women.

These women handed over the petition to then apartheid Prime Minister, JG Strydom, which contained demands to end the infamous pass system, end racial oppression, subjugation, and disenfranchisement, as well as demands for women's empowerment, advancement, and the achievement of gender equality. These women led by women like Lillian Ngoyi, Albertina Sisulu, Sophie de Bruin and Rahima Moosa, were courageous and took up the fight even as it put their lives at direct risk.

It is with great pride that we honour and remember these fearless heroines, who fought for the freedom we currently enjoy. Freedom which we now take for granted.

The question I would want to ask the women gathered here today is "Are we equally courageous and up for the fight"? And what is the fight we now need to wage?

Programme Director, the theme of this year's National Women's Day commemoration is "Celebrating 30 Years of Democracy Towards Women's Development".



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There is much to celebrate. South Africa is ranked by the World Bank to be amongst the top 10 of all countries to have successfully implemented reforms to improve women's legal rights.

The World Economic Forum ranks us 20<sup>th</sup> out of 146 countries in the Gender Gap Index which measures the extent to which we are reducing gender disparities.

But we still have a long way to go. The latest Mastercard Index of Women Entrepreneurs reveals that just 21.9% of all businesses in South Africa are owned by women. Women-owned businesses also make around a 20% contribution to GDP, and one in five businesses that trade internationally is owned by women.

So, we make up about just over 51% of the population, but just 20% of the economy. Unless we are talking survivalist informal sector work where it is mostly women, or unpaid family labour where it is almost only women. Ours is the under-recognised and under-rewarded work.

This is the new struggle we need to wage as women. The struggle for economic emancipation and empowerment. And we need to be just as bold as those women who marched on the Union buildings in 1956.

I suggest there are six (6) aspects of the entrepreneurship and small enterprise ecosystem where we need changes to level the playing fields for women.

First, is access to finance. Why are far larger numbers of women unbanked compared to men? Women have less access to collateral because they own less assets. And the less you own, the less likely it is that you will get credit. This is a vicious cycle that keeps women subordinated in the economy. If you cannot access capital, it is unlikely that you will enter business and build up assets.

We have just developed an MSME and Co-operatives Funding Policy to break this vicious cycle. The policy proposes non-property forms of collateral, as well as the



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establishment of a Fund of Fund to derisk borrowing to higher risk start-ups. And yes, unfortunately women are seen as higher risk because of their lack of assets.

As the Department of Small Business Development portfolio, we are also directly addressing the gender credit gap through the provision of various direct lending, wholesale lending, micro-credit, grants, blended finance and credit guarantees that target women -owned enterprises.

The second component of our ecosystem is business development services, sometimes called intermediary services in the business world. This includes the incubators and accelerators we are supporting, mostly through Seda. We have said that at least 40% of beneficiaries should be women, and we need to ensure that these women -owned businesses that we support are also in the high growth sectors. Tech, finance, energy and the like. I am especially concerned that tech remains such a male-dominated terrain in South Africa when we all know girls outperform their male counterparts at mathematics at school. How do we make the innovation eco-system more receptive for young women? We need to do more to celebrate our young women entrepreneurs. This is something I want to factor more into the Presidential MSME awards we have in November.

The third part of the ecosystem we need to focus on is access to markets. Women face gendered barriers to entry to the economy. They are excluded from male-dominated distribution networks and markets. Black women in townships and rural areas are triple disadvantaged - by gender, by race, and by place of residence. We know that a tiny part of the public procurement spend in SA goes to women-owned businesses, despite stated policy which declares that 30% of government's spend should go to women. The same for supply chains in the private sector. We must ensure that the new Public Procurement Act and the Enterprise Supplier Development programmes of large corporates addresses this.

The fourth part of the ecosystem where we need to up our struggle as women is access to social capital, loosely meaning access to networks and knowledge. This is



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how those with wealth and power retain this over generations. Women in business need to develop their own networks and work to sustain these. It might not be on the golf course, but women-in business must be as deliberate about building strategic networks and sharing information and knowledge. As the DSBD portfolio, we will assist with information about international trade opportunities, and about business-to-business partnership opportunities.

Programme Director, the fifth part of the ecosystem we need to change is culture. Many of the barriers to entry women face in the workplace and in business are rooted in our patriarchal culture and values like self-confidence and self-esteem. It is easier for men to get ahead because they expect to get ahead. It is how they were raised. We fight to get ahead. Women who are assertive are quickly labelled and undermined. Unfortunately, in our country, our male-dominated culture is also underwritten by gender-based violence. We must say no more, and like the women of 1956, find the collective strength to eradicate this scourge from our society.

The sixth and final part of the ecosystem that we need to change is leadership. We will not tackle gender-based economic inequalities while the support eco-system itself is male-dominated. We need women in strategic institutions - in banks, in DFIs, in procurement offices in the public and private sector, in universities and sites of innovation, in business chambers, in corporate boardrooms, and in Cabinet. We need to make the #SheLeads a permanent campaign, not something that ends on the 31<sup>st</sup> August. We need to activate partnerships to grow our pool of young women leaders.

Programme director, unless we are very deliberate about changing and inserting our interests as women into these 6 components of the eco-system, we will continue to be left behind. Economic emancipation and real empowerment of women will remain a dream deferred.

I thank you.