



IFUW Africa Policy Seminar, 26 March 2015, Nairobi, Kenya

Perspectives on Women's Education for Entrepreneurship in Africa

Entrepreneurship for economic empowerment

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Women's economic empowerment is an essential condition for sustainable development, social change and fiscal growth. However, the realisation of gender equality in the economy is far from the global reality. Women account for 40% of the global workforce,ⁱ half of whom are employed in vulnerable employment, often unprotected by labour legislation.ⁱⁱ The gender gap within professional leadership is stark; only 18.3% of top-level management are women, despite studies showing that been boards with greater female participation yield higher returns to shareholders.ⁱⁱⁱ Male-owned businesses are still significantly ahead in terms of growth and financial return. As of 2008, average revenues of majority women-owned businesses were only 27% of the average of majority men-owned businesses. This is influenced by factors such as more conservative professional goals and less access to capital, markets and networks.^{iv}

Women's participation in science, technology, engineering and mathematics (STEM) industries – sectors crucial to innovation and development – is of equal concern; globally, only 12% of the engineering workforce is female,^v while fewer than one in three science researchers are women.^{vi} Marginalised women are particularly at risk of financial hardship as they are often discriminated against in accessing economic opportunity and frequently are exploited through grave working conditions. 128 countries have at least on legal difference restricting women's economic opportunities.^{vii} This includes economies where women are not afforded equal pay with men for work of comparable worth. The widespread and persistent gender pay gap is in fact increasing in some countries.^{viii} There are 15 economies where husbands can object to their wives working and prevent them from accepting jobs.^{ix}

States and societies can realise significant socio-economic return by enabling women to access the economy. If women farmers had the same access to tools and credit as men, there would be 150 million fewer hungry people in the world.^x If women's paid employment rates were raised to the same level as men's, the United States' GDP would be an estimated 9% higher, the Euro zone's 13% and

Japan's 16%.^{xi} By prioritising financial literacy and business acumen in the education system and through vocational and training programmes, women learn to manage personal and household budgets and are equipped with the know-how and self-belief to become entrepreneurs. These professional skill sets should be fostered from an early age as part of school curricula and supported throughout the life course of women to empower them to take charge of their own economic independence.

Women entrepreneurs in Africa: regional leader but the gender gap prevails

Africa is a prime region to realise the full potential of a substantial educated and skilled workforce. In the period between 2001 and 2010, six African economies [were identified](#) as among the 10 fastest growing economies in the world. High population growth rates, compared with the rest of the world, contribute to an expanding labour force, which is projected to reach 1.1 billion people in 2020.^{xii} [40%](#) of the population is under 15 years old and thus strong education infrastructure must be prioritised in regional and country policies. Women account for more than 50% of Africa's population, and the region also boasts the highest [rate](#) of women's entrepreneurship in the world. Despite these promising indications, a substantial portion of African women entrepreneurs are concentrated in the informal, micro, low-growth, low-profit areas.^{xiii} About [12%](#) of women in Africa are self-employed though only about 1% of women actually employ others. African women are still vastly over-represented in the informal economy, with studies putting female participation at [70%](#). The International Labour Organization (ILO) [estimates](#) that while 22% of men's productive potential is underutilised, women's is as high as 50%.^{xiv}

According to the UN Economic Commission for Africa, "Enhancing women's participation in the information economy would produce a range of benefits, including increased creativity, expertise and competitiveness in the technology sector of a country, and hence facilitate the development of an information economy leading to increased productivity and economic growth." In one study, [88%](#) of women indicated that mobile phones enabled them to increase their economic participation.

All signs point to a huge potential to harness and promote the skills and innovation of African women to be significant players in the region's economy. Yet several barriers persist that jeopardise African girls and women in accessing and pursuing education and entrepreneurship:

Barriers for girls and women to access education and entrepreneurs in Africa

- **Literacy and education rates:** Sub-Saharan Africa has some of the world's lowest literacy rates, making financial knowledge and business acumen virtual impossible. In Nigeria, the literacy rate amongst female youth (15 -24 years) is just 58%,^{xv} compared with 75.6% for male youths. In Somalia, 95% of the poorest females aged 7 – 16 have never attended school.^{xvi}
- **Socio-economic considerations:** Girls and women are still the primary contributors to working in the home. Women undertake nearly 100% of food processing activities, in addition to child care and other responsibilities in households. In addition, the lost income/costs associated with enrolling in education is a large disincentive for financially weaker girls and women to attend school.
- **Cultural prejudices** are still prevalent in many countries in the region, which act as a disincentive to encourage girls and women to complete secondary education and to start their own business. The empowerment that education and entrepreneurship provides threatens male-dominated societal constructs, and thus girls and women are often discouraged or otherwise inhibited in pursuing independence.
- The **threat of violence** - physically and sexually, both at home and at school - significantly affects the impetus and ability for girls to access education.
- Education for females belonging to **minority groups**, especially indigenous and rural women is also a large issue in many countries. These groups face discrimination and marginalisation on account of gender, societal prejudice and economic disadvantage.
- **Brain drain:** A significant proportion of degreed African women, nearly a third at [28%](#), migrate out of Africa in search of suitable job opportunities. This is in contrast with only 17% of educated men.
- **Accessing credit:** In many African countries, women cannot access lending facilities to the same extent as men. Statistics in South Africa reveal significant bias in terms of both gender and race: only 38% of black women are formally banked against 44% of black men and 94% and 91% respectively of white men and women. While 88% of banked white women are able to reach their bank within 10 minutes, the corresponding percentage for banked black women is only 22%^{xvii}

The Seminar

How can the regional and institutional frameworks better support the transition of women entrepreneurs into more profitable and larger-scale markets? The seminar will seek to answer this question, focusing on how education, accessible financial

infrastructure, and challenging social gender roles can help untap and accelerate the significant business potential of African girls and women. Topic to be addressed by the panel discussants include:

- Financial literacy education and training for girls and women
- Accessible financing for women entrepreneurs
- The role of technology in facilitating economic participation: Best practices/case studies on what framework have worked in Africa to empower more women entrepreneurs
- African women leaders: challenges and progress
- The roles of civil society, policymakers, government and business in supporting women entrepreneurs

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- ⁱ <http://www.theguardian.com/global-development/2014/sep/29/women-better-off-far-from-equal-men>
- ⁱⁱ http://www.unwomen.org/~media/headquarters/attachments/sections/library/publications/2013/12/un%20women_ee-thematic-brief_us-web%20pdf.ashx
- ⁱⁱⁱ <http://www.unwomen.org/en/what-we-do/economic-empowerment/facts-and-figures>
- ^{iv} <http://www.wsi.com/articles/SB10001424052748704688604575125543191609632>
- ^v <http://www.sustainlabour.org/IMG/pdf/women.en.pdf>
- ^{vi} <http://www.uis.unesco.org/ScienceTechnology/Pages/women-in-science-leaky-pipeline-data-viz.aspx>
- ^{vii} <http://beijing20.unwomen.org/en/infographic/economy>
- ^{viii} http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_324678.pdf
- ^{ix} <http://beijing20.unwomen.org/en/infographic/economy>
- ^x <http://www.fao.org/docrep/013/i2050e/i2050e.pdf>
- ^{xi} <http://www.unwomen.org/en/what-we-do/economic-empowerment/facts-and-figures>
- ^{xii} [http://www.ey.com/Publication/vwLUAssets/Women_of_Africa/\\$FILE/Women%20of%20Africa%20final.pdf](http://www.ey.com/Publication/vwLUAssets/Women_of_Africa/$FILE/Women%20of%20Africa%20final.pdf)
- ^{xiii} http://www3.weforum.org/docs/WEF_GCR_Africa_Report_2011.pdf
- ^{xiv} http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---ifp_seed/documents/publication/wcms_175471.pdf
- ^{xv} http://www.unicef.org/infobycountry/nigeria_statistics.html
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- ^{xvii} <http://www.ifc.org/wps/wcm/connect/d9b1840048855706bb4cfb6a6515bb18/Access+to+Finance+-+Women+in+South+Africa.pdf?MOD=AJPERES>