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STUDY HIGHLIGHTS SIGNIFICANT BARRIERS FACED BY WOMEN ENTREPRENEURS IN SA

A comprehensive research study conducted by the Competition Commission (Commission) has shed light on the challenges that women entrepreneurs encounter in their pursuit of entering and effectively participating in markets. The study identified five thematic areas in which women entrepreneurs face key barriers - access to business knowledge, education and training programmes; access to finance for new business start-up or expansion, access to (profitable) markets; compliance requirements, bureaucracy and administration; and access to women networks or support structures. Outside of these key themes, the study also revealed that social factors such as safety, societal norms, customary practices, and domestic responsibilities impact the ability of women to move freely and dedicate time and energy to perform their entrepreneurial activities thereby further affecting the ability of women entrepreneurs to enter and effectively participate in markets.

The study titled *“Promoting Effective Entry and Participation of Women Entrepreneurs in the South African Economy”* extends the Commission's efforts to enhance historically disadvantaged individuals' meaningful participation in South Africa's economy as required by the Competition Act of 1998 (as amended). It also investigated the strategies that women entrepreneurs are adopting to overcome these gender-specific barriers to entry and participation.

This study features insights from surveyed women entrepreneurs and stakeholders, including the Businesswomen Organisation, the Johannesburg Chamber of Commerce and Industry, the Commission for Gender Equality, and the Department of Women, Youth, and People with Disabilities. The findings underscore the urgent need for concerted efforts from government and non-government stakeholders to enhance the effective implementation of the existing frameworks and initiatives aimed at empowering women entrepreneurs. The study also highlights some of the key pro-competitive principles that can be adopted by government and non-government stakeholders to support and promote the entry and meaningful participation of women in the broader economy as the cornerstone of inclusive growth and sustainable development. By aligning their efforts and resources, both sectors can pave the way for equal opportunities and ensure the success of women entrepreneurs throughout South Africa.

A notable aspect illuminated by the research is the constrained access to formal funding mechanisms faced by women entrepreneurs. The absence of land, property, or other assets required as collateral by lending institutions impedes their ability to secure loans. Consequently, women entrepreneurs are forced to seek financial support from informal sources like family, friends, social clubs, and even loan sharks. The study further revealed that while alternative funding avenues exist, many women entrepreneurs lack awareness of these options, exacerbating their financial challenges.

Moreover, the study identified the multifaceted impact of limited access to resources, domestic responsibilities, and the complexity of compliance requirements women face. These factors collectively diminish the ability of women entrepreneurs to establish a foothold and thrive in lucrative markets. Domestic responsibilities particularly pronounced in rural and semi-urban areas, also contribute to the struggles faced by women entrepreneurs in accessing profitable markets.

On a positive note, the study highlighted the catalytic role of women networking structures in empowering women entrepreneurs. These networks facilitate the dissemination of crucial information, provide access to valuable resources, connect entrepreneurs with potential customers, and offer mentorship opportunities from more experienced counterparts. However, the research also exposed the challenges of affordability and accessibility of such structures, particularly in rural and semi-urban regions. The study ultimately underscores the pressing need for holistic support and promotion of women entrepreneurs in the economy.

The Commission remains committed to fostering an environment conducive to the growth and prosperity of women entrepreneurs. Research studies like this provide the Commission with a deeper understanding of the gender-specific barriers impacting women's competitiveness in markets, allowing it to consider these issues in its merger control and enforcement. Further, through strategic collaboration and enhanced awareness, other stakeholders in the private sector and Government can use the insights of the study to provide the requisite support for women entrepreneurs.

The research report can be accessed at: https://www.compcom.co.za/wp-content/uploads/2023/08/CC_Women-in-Business-Study.pdf

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Issued by:

Siyabulela Makunga, Spokesperson

On behalf of: The Competition Commission of South Africa

Tel: 012 394 3493 / 0674219883

Email: SiyabulelaM@compcom.co.za

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