



Women's Economic Empowerment in Africa: Boosting Female Entrepreneurship

Biennium 2016–2017

Expert group meeting

24 - 25 August 2017, Addis Ababa

Aide-memoire

I. Background

In Africa, majority of women in the labor force are self-employed and vulnerable to shocks¹. They work for their own account in small scale enterprises with weak growth performance at dismal productivity levels, often earning much less than men. In urban areas, women constitute the backbone of own-account workers, primarily in the informal sector. In rural areas, women are overrepresented among contributing family workers in the agriculture sector, where they work on land they do not own and for minimal, if any, economic benefits. Formal wage employment on average applies to 20 per cent of employed women and decent work conditions, if available, rarely accrue to women.

Women entrepreneurship therefore emerges as the main short-term policy tool to raise the quality of female employment thereby contributing to structural transformation agenda of Africa and economic growth strategies of member States which are expected to contribute to economic well-being of families and communities, poverty reduction and women's empowerment. However, women entrepreneurs still represent a minority of all entrepreneurs, especially among formal and larger firms in lucrative sectors. Labor productivity is often lower for enterprises owned by women in the formal and informal sector as well as among microenterprises. Still, female owned enterprises are critical for female employment, as their workforce is primarily composed by women. Given the fact that suboptimal female employment lead to substantial income losses in the order of almost 30 per cent of GDP², governments across the world as well as various developmental organizations are therefore actively looking for promotion of women entrepreneurs through various schemes, incentives and promotional measures.

Against this background and based on a variety of data sources and empirical quantitative methods, the Women's Economic Empowerment (WEE) Report with the theme "*Women's Economic Empowerment in Africa: Boosting Female Entrepreneurship*" focuses on female incumbent entrepreneurs as well as potential entrants, both in formal and informal sector, catalog the constraints they face in entry into business, survival in the face of competition and evaluate the growth potential of their operations and employees. In doing so, this Report also investigates the boundaries imposed by sectors women entrepreneurs operate in, explore best practices and offer policy recommendations tailored to country-specific challenges. Finally, in an effort to relate entrepreneurship to economic empowerment, the Report links female self-employment to the extent to which women participate in decision-making process in their respective households.

¹ According to the Key Indicators of Labor Market (KILM) database of the International Labor Organization (ILO), vulnerable employment in Africa is expected to cover 80 per cent of the labor force by 2020, while the rest of the World is expected to go below 50 per cent by the same time.

² Cuberes, D. and M. Teignier (2016). "Aggregate Effects of Gender Gaps in the Labor Market: A Quantitative Estimate". *Journal of Human Capital*, 10 (1), pp. 1-32.

Consequently, the goal of the WEE Report is to contribute to expanding the knowledge base, which is essential for tackling structural and emerging gender issues in private sector development, in line with Africa's structural transformation agenda as well as the efforts of member States in implementing the 2030 Agenda for Sustainable Development and Agenda 2063.

The WEE Report is based on original analysis of firm and individual level data, primarily from five selected countries³, representing the five subregional offices of ECA, including **Angola** (Southern Africa), **Cameroon** (Central Africa), **Democratic Republic of Congo** (Eastern Africa), **Egypt** (North Africa) and **Mali** (West Africa).

The specific objectives of the study are to:

- **Broaden the knowledge base** through compilation of data and analysis relevant for female entrepreneurship from legal issues to attitudes, firm performance and constraints faced by female entrepreneurs in five selected countries and beyond.
- **Distil policy messages** on strategies to boost female entrepreneurship and elevate productivity of female entrepreneurs at the individual level with linkages to the aggregate economy in an effort to justify substantial investments.
- **Offer linkages** between policy interventions and development outcomes of interest. The relationship between female entrepreneurship and women's economic empowerment will be scrutinized at the micro-level while secondary research focuses on the relationship between female entrepreneurship and the success and health of an economy at the macro-level.

II. Methodology

The Report exclusively relies on quantitative analysis of data at three levels: firm, individual and country. The substantial part of the analysis relies on firm-level data from World Bank Enterprise Surveys, including Formal Enterprise Surveys, Informal Enterprise Surveys and Microenterprises Surveys. In an effort to avoid focusing only on incumbent entrepreneurs, the Report also relies on the Adult Population Surveys of Global Entrepreneurship Monitor from 15 African countries. At the country-level, key indicators on labor market are obtained from the International Labor Organization. The Women, Business and the Law database is used for a survey of rights and incentives pertaining to entrepreneurship. Finally, at the individual level,

³ The following countries are incorporated into firm-level analysis when data were not available from selected countries for Microenterprise Surveys: **Burkina Faso** (West Africa), **Cape Verde** (West Africa), **Kenya** (Eastern Africa) and **Zimbabwe** (Southern Africa). Angola lacked data from Demographic Health Surveys with women's economic empowerment indicators. **Malawi** (Southern Africa) is selected to replace Angola as Malawi has the most recent data with relevant indicators from the subregion.

data are obtained from Demographic and Health Surveys where some indicators on women's economic empowerment are available.

The Report starts by a descriptive analysis of firm and owner's characteristics with a focus on gaps between male and female entrepreneurs. Next, the Report focuses on the constraints entrepreneurs report in manufacturing and services sectors and formally tests for differences between male and female entrepreneurs. Finally, the Report makes an effort to link entrepreneurship to empowerment through formally testing for differences in key firm-level outcomes, e.g. sales growth, labor productivity and employment growth, between male and female entrepreneurs. In addition, the link between self-employment and participation in decision-making is investigated using the Demographic and Health Surveys.

III. Expert Group Meeting (EGM)

The meeting will take place on 24-25 August 2017 in Addis Ababa, to review and validate the draft WEE Report.

A. Objectives

- Discuss in-detail the various components of the Report and assess its quality
- Review the findings from the in-country field research and identify issues that require more clarification, if any
- Review the policy messages and recommendations against the policy issues identified and analyzed and provide suggestions to make them sound, if necessary
- Identify any improvements needed and provide suggestions on how to address any issues in the final version of the report
- Discuss how the findings of the report can be used.

B. Approach

The meeting will be interactive. Plenary sessions will be combined with group work to allow for in-depth discussions and substantive suggestions from the participants.

C. Expected outputs

- Comprehensive review of the Women's Economic Empowerment Report
- Concrete comments and suggestions on how to improve the Report
- Review and validation of the Report

D. Participants

The meeting will bring together national and regional experts, representatives from the countries selected for the study, representatives from partner institutions including United Nations agencies, African Union Commission and Regional Economic Commissions and representatives from ECA.

E. Working languages

The working language of the meeting will be English and French.

F. Further information

For more information about the experts group meeting, please contact Selsah Pasali, Associate Economic Affairs Officer (pasali@un.org), copying Thokozile Ruzvidzo, Coordinator of the African Centre for Gender (ruzvidz.uneca@un.org), and Berhanu Tesfaye, Officer, African Centre for Gender (tesfayeb@un.org).