



Commission for Gender Equality
A society free from gender oppression and inequality

SINK OR SWIM:

The Challenges of Implementing
**Government's Women Economic
Empowerment Programmes in South Africa**

**RESEARCH REPORT
2020**

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TABLE OF CONTENTS

FOREWORD & ACKNOWLEDGEMENTS	1
ABBREVIATIONS & ACRONYMS.....	3
1. INTRODUCTION	4
1.1. STUDY METHODOLOGY AND APPROACH	5
1.1.1. Central research questions and sub-questions	8
1.1.2. Objectives of the study	8
1.1.3. Ethical commitments of the study	9
1.1.4. Key assumptions and resources required for the study.....	9
1.1.5. Limitations, constraints and disclaimers	10
2. BACKGROUND ON WOMEN'S ECONOMIC EMPOWERMENT	12
2.1 WOMEN'S ECONOMIC EMPOWERMENT IN SOUTH AFRICA.....	16
2.2. POLICIES, STRATEGIES AND PROGRAMMES FOR WOMEN'S ECONOMIC EMPOWERMENT .	22
2.3. INSTITUTIONAL DESIGN	24
2.3.1. Department of Trade, Industry and Economic Development (DTIED)	24
2.3.2. Department of Small Business Development	30
3. RESEARCH FINDINGS.....	32
3.1. B'AVUMILE SKILLS DEVELOPMENT PROGRAMME.....	32
3.1.1. Brief Background	32
3.1.2. Criteria for funding/support	35
3.1.3. Effectiveness of the project	35
3.1.4. Marketing and information dissemination on the programme	39
3.1.5. Challenges experienced by the programme	39
3.1.6. Monitoring and evaluation system	40
3.2. ISIVANDE WOMEN'S FUND	40
3.2.1. Brief background	40
3.2.2. Criteria for funding/support	42

3.2.3. Effectiveness of the project	42
3.2.4. Marketing and information dissemination on the programme	47
3.2.5. Challenges experienced by the programme	47
3.2.6. Monitoring and evaluation system	48
3.3 TECHNOLOGY FOR WOMEN IN BUSINESS	49
3.3.1. Brief background	49
3.3.2. Criteria for funding/support	50
3.3.3. Effectiveness of the project	51
3.3.4. Marketing and information dissemination on the programme	52
3.3.5. Challenges experienced by the programme	52
3.3.6. Monitoring and evaluation system	53
3.4 THE SOUTH AFRICAN WOMEN ENTREPRENEURS' NETWORK	53
3.4.1. Brief Background	53
3.4.2. Criteria for funding/support	54
3.4.3 Effectiveness of the project	55
3.4.4. Marketing and information dissemination on the programme	57
3.4.5. Challenges experienced by the programme	57
3.4.6. Monitoring and evaluation system	57
3.5 SEDA-WOMEN ENTERPRISE COACHING PROGRAMME.....	58
3.5.1. Brief background	58
3.5.2. Criteria for funding/support	58
3.5.3. Effectiveness of the project	59
3.5.4. Marketing and information dissemination on the programme	60
3.5.5 Challenges experienced by the programme	60
3.5.6 Monitoring and evaluation system	61
4. OVERVIEW AND DISCUSSION OF KEY ISSUES FROM THE FINDINGS	63
5. CONCLUSIONS AND RECOMMENDATIONS	66
5.1 CONCLUSIONS.....	66
5.2 RECOMMENDATIONS	67

FOREWORD & ACKNOWLEDGEMENTS

Despite the widespread prevalence and usage of the notion of economic empowerment, especially women's economic empowerment, it would appear that its application in practice is not only complicated, but remains an elusive policy goal. The imperative of women's economic empowerment is an integral part of the broader goal of gender equality and transformation.

This, perhaps, explains the ubiquitous presence of the word in the utterances of our political leaders, key economic policy actors and institutions, as well as in the contents of various domestic policy and legislative frameworks, and international instruments such as the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), the Beijing Declaration and Platform of Action, as well as the Southern African Development Community (SADC) Protocol, among others.

As a result of this, many of the support programme initiatives aimed at promoting women's economic empowerment fail to achieve their stated goals, despite the best of intentions, often resulting in a 'sink or swim' scenario for many of the women-owned businesses that had been targeted and selected for government support over the past few years.

This study sought to explore some of the programmes initiated by specific government departments to promote the economic empowerment of women. It is widely known that women's share of the ownership and control of economic assets in South Africa remains limited. The challenge for policy makers in the country therefore is to strengthen the effectiveness of government's support for women's economic empowerment by providing targeted, ongoing, effective and sustained support for women seeking to, or already engaged in, entrepreneurial activities, particularly at the early and therefore vulnerable states of these endeavours. During such early stages of their development, many of the women-owned businesses seek the vital support and assistance (both financial and technical) made available through government economic empowerment programmes that will make a significant difference between sinking or swimming. This study sought to explore the successes and the significant and persistent challenges faced by the implementation of government policy on women's economic empowerment by examining a number of specific programmes initialled under the Department of Trade and Industry (DTI) prior to 2014 before being transferred to the Department for Small Business Development (DBSD) after 2014.

It is hoped that the findings contained in this report, including the recommendations, will assist policy makers and contribute towards strengthening government's initiatives aimed at effectively promoting the economic empowerment of women in South Africa.

We wish to thank and express our gratitude to officials and staff from the DTI and DSBD; the Commissioner and officials from the Broad-Based Black Economic Empowerment Commission (B-BBEE), officials from the Independent Development Corporation (IDC), Identity Development Fund (IDF) and Small Enterprise Development Agency (SEDA) and other state institutions who either made themselves available for interviews or assisted with vital information for the study.

This report was compiled by the Research Department of the Commission for Gender Equality (CGE). It is based on the examination and analysis of documents and information obtained from the individuals, departments and other institutions referred to above. The following researchers conducted the primary research fieldwork and compiled the report: Mojalefa Dipholo (Project Manager), Vernet Napo, Princess Malebye, Lindelwe Motha, Thubelihle Zitha. Thabo Rapoo (Director: Research) edited and finalised the report.

ABBREVIATIONS & ACRONYMS

ASGI-SA:	Accelerated and Shared Growth Initiative of South Africa
B-BBEE:	Broad-Based Black Economic Empowerment
BEE:	Black Economic Empowerment
CEDAW:	Convention on the Elimination of All Forms of Discrimination Against Women
CGE:	Commission for Gender Equality
CIPRO:	Companies & Intellectual Property Registration Office
CSIR:	Council for Scientific and Industrial Research
DWYPD:	Department of Women, Youth and People with Disabilities
DSBD:	Department of Small Business Development
DTI:	Department of Trade and Industry
DTIED:	Department of Trade, Industry and Economic Development
ESEID:	President's Directive to the Economic Sectors Employment and Infrastructure Development
GRPBMEA:	Gender-responsive Planning, Budgeting, Monitoring, Evaluation and Auditing
GWE:	Gender and Women Empowerment Unit
IDC:	Industrial Development Corporation
IDF:	Identity Development Fund
IWF:	Isivande Women's Fund
NDP:	National Development Plan
NSB:	National Small Business
OECD:	Organisation for Economic Co-operation and Development
SADC:	Southern African Development Community
SARS:	South African Revenue Services
SAWEN:	The South African Women Entrepreneurs' Network
SEDA:	Small Enterprise Development Agency
SEFA:	Small Enterprise Finance Agency
SEIAS:	Department of Planning, Monitoring and Evaluation's Socio-economic Impact Assessment System
SME:	Small and Medium-sized Enterprises
SMME:	Small, Medium, and Micro Enterprises
SNG:	SizweNtsalubaGobodo
STEM:	Science, Technology, Engineering and Maths
TWIB:	Technology for Women in Business
UNDP:	United Nations Development Programme
WECP:	Women Enterprise Coaching Programme
WEE:	Women's Economic Empowerment

1. INTRODUCTION

The Commission for Gender Equality (CGE) is one among a number of independent Chapter 9 institutions established in terms of Section 181 of the Constitution of the Republic of South Africa, 1996, to support democracy in South Africa. The mandate of the CGE is articulated in Section 187, and further elaborated on through the Commission for Gender Equality Act.¹ A key aspect of this mandate is to monitor and evaluate the implementation of domestic policy and legislative frameworks, alongside the country's compliance with international regulatory frameworks, to promote gender equality. Under Section 11(i) and (h) of the Commission for Gender Equality Act, the CGE is required to monitor and evaluate South Africa's compliance with regional and international treaties which promote gender equality in the private and public sectors. In line with this mandate, the CGE undertook a study during the 2019/2020 financial year to assess the implementation and effectiveness of selected government programmes aimed at promoting women's economic empowerment in South Africa.

In its 2012 World Development Report, the World Bank points out that gender equality and economic development are inextricably linked.² The relationship between the two is further amplified through the argument that the economic empowerment of marginalised groups, particularly women, has been found to have positive life outcomes not only for such groups, but for their communities in general. This study is therefore pertinent for South Africa, given the widely acknowledged marginalisation of women from control and ownership of the economy, their share of economic activities and assets. The commitment of the South African government to empower women economically has taken prominence in the post-apartheid era. Yet, available data on the outcomes and impacts of these initiatives appear to show limited gains. For the purposes of this study, the CGE undertook the process of assessing and evaluating government programmes that targeted women, with emphasis on women from poor and disadvantaged backgrounds, for economic empowerment.

In an attempt to probe in-depth and gain an understanding of the deeper substantive challenges facing government's policy programmes on women's economic empowerment, this study focussed attention on two key ministries and their programmes: the Department of Trade, Industry and Economic Development (DTIED) – formerly the Department of Trade and Industry (DTI) – as well as the Department of Small Business Development (DSBD). The selection of these two ministries does not in any way suggest that government's women's economic empowerment programme initiatives and related projects are limited only to these two departments. Nonetheless, the two ministries are crucial in terms of their statutory obligations for sustained and long-term coordinated support for business and entrepreneurial activity in the country. It is

¹ Act 39 of 1996.

² World Bank (2012). World Development Report 2012: Gender Equality and Development. World Bank. © World Bank. <https://openknowledge.worldbank.org/handle/10986/4391> License: CC BY 3.0 IGO.

hoped that through an examination of selected women's empowerment programmes under these two departments, some of the issues uncovered and insights gained (both successes and challenges) would help the country draw lessons to be highlighted for policy makers on how to strengthen such programmes for better outcomes going forward.

This study assessed how these departments have attempted to advance the imperative for women's economic empowerment, through their various programmes. The study examined the achievements and successes of selected programmes and projects that had already been implemented in the past, the positive developments and challenges experienced during implementation. This report therefore presents the discussion and analysis of the findings of the study and draws conclusions and recommendations for the attention of policy makers and other stakeholders.

1.1. STUDY METHODOLOGY AND APPROACH

The purpose of this study was to assess the government's women's economic empowerment programmes and initiatives through the work of two national departments: the Department of Small Business Development (DSBD) and Department of Trade, Industry and Economic Development (DTIED). As part of this assessment, the study identified current government policies and legislative frameworks aimed at promoting women's economic empowerment, and examined how the two departments sought to realise the objectives of these legislative and policy frameworks through the development and implementation of relevant programmes to advance the goal of women economic empowerment. In some cases, these departments established specialist internal agencies or structures whose role was to assist the departments in managing and driving their women's economic empowerment programmes effectively and efficiently. In the case of the DTI, the study looked briefly at the role of the Broad-Based Black Economic Empowerment (B-BBEE) Commission, while for the DSBD, the Small Enterprise Development Agency (SEDA) was put in place to advance the role of supporting business enterprises, including those owned by women.

It was critical to examine and gain insights into the implementation of these selected programmes and initiatives as identified above, including aspects such as the objectives of the selected programmes, criteria for identifying and selecting potential beneficiaries, ongoing support programmes, expected outputs and outcomes or impacts, including pre-determined indicators of programme success as defined by the two departments. The study focused not only on the positive aspects, but also on the challenges experienced, and how such challenges were dealt with to ensure success in women's economic empowerment.

For the purposes of conducting this study, the qualitative research approach was adopted, with emphasis on the in-depth examination and analysis of the views, experiences and insights of those responsible for advancing women's economic empowerment through relevant departmental programmes and projects. Their experiences, insights, views and opinions regarding the achievements, obstacles and challenges faced by government in promoting women's economic empowerment in South Africa form critical areas of analysis for this study. This is "a systematic subjective approach used to describe life experiences and situations to give them meaning."³ As CGE conducted an in-depth review of specific programmes, this approach is important in gaining in-depth insights of the implementation of the selected programmes by the two government departments and their agencies so as to determine the achievements and challenges in promoting women's economic empowerment.

Therefore, relevant and specific government or departmental officials and other key role players responsible for discharging the responsibilities of managing these programmes were identified for interviews, as well as for assisting with relevant programme/project information/documents. In addition, the beneficiaries of these programmes also possessed critical knowledge, experiences, views and opinions that are material to any examination and assessment of the outcomes and impact of these programmes. Therefore, where possible and practical, information was sought to identify and approach some of the beneficiaries of the selected programmes and projects for interviews regarding their experiences, and the benefits and challenges arising out of the programmes.

The following programmes were identified and selected based on the information obtained from the two departments regarding programmes that had been put in place to promote the economic empowerment of women in South Africa:

- B'avumile Skills Development Programme
- Isivande Women's Fund
- Technology for Women in Business (TWIB)
- The South African Women Entrepreneurs' Network (SAWEN)
- SEDA - Women Enterprise Coaching Programme (WECP)

The programmes selected cover a broad range of categories; some target women in rural areas; some target youth, women with disabilities and others were identified due to their approaches in alleviating poverty and creating job opportunities through developing skills.

³ Grove, S. K., Burns, N., & Gray, J. R (2013). *The practice of nursing research: Appraisal, synthesis and generation of evidence*. 7th ed., p. 23.

A technique called purposive selection and snowball sampling was applied to identify and select participants from the two departments and, where deemed necessary, specific and relevant agencies within the two departments. This was used to identify participants or informants on the basis of their presumed critical roles and responsibilities in driving their departmental programmes aimed at the economic empowerment of women. In many instances, these included programme or unit managers, officials and coordinators with relevant knowledge of key aspects of these programmes and projects. Individual interviews using semi-structured interview schedules were conducted with program managers. The approach was initially to identify and contact departmental and other officials for information on the beneficiaries of these programmes. In turn, a number of selected beneficiaries would be randomly selected to be interviewed, including for focus group discussions where possible and practical. However, it was discovered very early into the project that the women's economic empowerment programmes selected had been discontinued as early as 2015, for reasons which will be addressed later in the report. The other alternative for the team was to resort to telephonic semi-structured interviews with identified beneficiaries, either through the provision of databases when available or through the snowballing technique. These telephonic interviews minimised the costs of travelling to the beneficiaries. The purpose of these interviews was to establish the extent to which the programmes have impacted on their livelihoods.

Table 1: Below are the number of interviews done per women, economic empowerment programme

Programmes, Commissions	No. of Officials Interviewed	No. of Beneficiaries interviewed
• Isivande Women's Fund	7	1
• B'avumile Skills Development Programme	5	10
• Technology for Women in Business (TWIB)	6	6
• The South African Women Entrepreneurs' Network (SAWEN)	5	7
• Women Enterprise Coaching Programme	3	4
• Broad-Based Black Economic Empowerment Commission (B-BBEE)	2	-

Interview guides or schedules, with open-ended questions arranged according to key thematic areas, were developed and used as data collection tools for interviews with the various categories of participants identified for this study. In addition to this, relevant documents, such as annual reports, databases of beneficiaries, budgets, annual performance plans, policy documents, programme documents, budget information, and related documents, were obtained and utilised as further source materials for in-

depth analysis and insights into the implementation and effectiveness of programmes aimed at promoting the empowerment of women in South Africa.

1.1.1. Central research questions and sub-questions

The central question that this study sought to answer is the following:

- How has government promoted women's economic empowerment in South Africa?

Below are three key sub-questions that are critical in terms of answering the central question stated above:

- How does government define women's economic empowerment in South Africa?
- What relevant policies, legislation, programmes, systems and processes have been put in place to realise women's economic empowerment in South Africa?
- What have been the achievements and the challenges faced by the government in implementing women's economic empowerment in South Africa?

1.1.2. Objectives of the study

- To identify and select as case studies for this study, two key government departments with a critical role to play in promoting women's economic empowerment in South Africa;
- To carry out an examination of selected programmes aimed at women's economic empowerment, with specific focus on women beneficiaries from disadvantaged and vulnerable backgrounds, especially from rural areas, townships and informal settlements, where access to resources is severely limited;
- To assess the extent to which women's economic empowerment programmes have achieved success, including the obstacles and challenges experienced; and,
- To establish the lessons learned from the implementation of programmes aimed at promoting women economic empowerment.

1.1.3. Ethical commitments of the study

- Informed consent

Before commencement of interviews, participants were informed about the study, its goals and objectives and, where possible, were provided a letter containing the above information. Participants were afforded the opportunity to ask questions or seek clarification on any aspect of the study that might have been unclear.

- Voluntary Participation

None of the participants were coerced to participate in the study or promised any incentives.

- Confidentiality and anonymity

Participants were informed that the study will culminate in a research report, and that their names would not be disclosed in any documentation or presentations on the study.

- Beneficence

The right of participants to be free from harm, uneasiness and mistreatment was respected. Since this research involved human participants, it sought to ultimately contribute positively to the human condition through informing policy makers to make the necessary changes to current programmes, especially those that are not achieving their intended objectives or outcomes.

1.1.4. Key assumptions and resources required for the study

For this project to be carried out and completed successfully, and to achieve its objectives, the following assumptions were taken for granted:

- Access is provided by the selected government departments to vital and relevant information on specific departmental programmes and projects on women's economic empowerment and related aspects;
- Availability and cooperation of relevant government officials from the selected departments and their agencies, including willingness to be interviewed and provide the necessary information related to the programmes on women's economic empowerment;
- Officials will be knowledgeable regarding the issues related to the implementation of their departmental programmes on women's economic empowerment, including achievements, obstacles and challenges experienced; and,

- Availability and cooperation of the beneficiaries of the selected programmes, and willingness to share their knowledge, experiences and insights into these, including the implementation, achievements, obstacles and challenges of the selected programmes.

1.1.5. Limitations, constraints and disclaimers

Studies of this nature are prone to constraints and limitations that may be material not only to successful completion, but also to the quality of the information obtained. This is due mainly to the fact that these types of studies rely on the cooperation of government officials who are often reluctant to speak with or share critical departmental information with outsiders.

Below is a list of a number of practical challenges that were encountered during the period of the study, which constituted constraints and limitations to this endeavour. While the CGE Research Department took the necessary steps to mitigate the potential impacts of these constraints, in some cases these challenges either limited access to vital information or caused delays to some of the planned activities of the study:

- Some of the government officials identified for this study, based on their roles and functional responsibilities in the implementation of the selected programmes, either refused to take part in the study, were reluctant or took time before agreeing to be interviewed or providing information requested for this study. This applied for both departments;
- The programmes selected for this study were initiated by the DTI, before being transferred to the DSBD after the latter was created following the 2014 elections. This created a significant level of co-responsibility between the two departments in terms of institutional knowledge and responsibility for information management and record keeping related to the programmes – this created a situation where some officials from both departments were eager to refer the CGE to the other department rather than be forthcoming with information on these programmes;
- In many instances, departmental websites (which were used as vital sources of programme information) were outdated – this was particularly the case where information on the programmes that had already been transferred from the DTI to the DSBD was still displayed in the DTI website, which created an incorrect impression about the appropriate location of such programmes;
- The transfer, discontinuation, or both, of some of the programmes created difficulties in terms of locating and accessing relevant officials with institutional memory regarding these programmes. This also affected the ease of access to programme documentation necessary for the study;

- Accessing the beneficiaries of some of the programmes was a logistical difficulty because of poor record keeping by both departments; and,
- In a limited number of instances, some of the beneficiaries were not comfortable to converse in English and preferred their own languages. This necessitated translations to English.

2. BACKGROUND ON WOMEN'S ECONOMIC EMPOWERMENT

In order to understand and grasp the significance of women's economic empowerment, it is important to understand the complexities that lie behind the notion of empowerment, or indeed economic empowerment. It is clear, based on a cursory review of current literature on empowerment, that there is a lack of consensus on the meaning of this term. In many instances, the notion of empowerment is used interchangeably with the narrower notion of economic empowerment. For instance, a summary of the framework for empowerment by the World Bank alludes to the lack of consensus on the meaning of this term, including how the term "empowerment" has no definite and widely accepted meaning. Instead, it has varying meanings across various socio-cultural and political contexts.⁴ For example, the World Bank defines empowerment from the context of poverty and disadvantaged populations in disadvantaged environments. The World Bank adopts an institutional definition of empowerment with reference to poverty reduction; this is understandable as it resonates with the work of the World Bank.⁵ This definition clearly refers to the ability to transform one's position and circumstances so as to have a greater role in decision-making around one's future. Therefore, for the World Bank, empowerment entails the expansion of the assets and capabilities of poor people to participate in, negotiate with, influence, control, and hold accountable, institutions that affect their lives.⁶ Defined in this manner, this makes empowerment difficult to quantify. Batliwala argues that the lack of a widely accepted definition for the term "empowerment" allows the space for practitioners to first work out what it means.⁷

Contrary to the *modus operandi* of policymakers, some feminists such as Srilatha Batliwala and others are of the view that empowerment is meant to suit the interests of those that initiate it. The argument here is that the implications of trying to measure what is not easily measurable is that it leads to doing away with arguments that are intrinsic to feminist goals in favour of those which are instrumentalist.⁸ The instrumentalist approach, despite good intentions, has had some drawbacks in the area of women's economic empowerment. This centres on the idea of high returns as a result of, for instance, investing in aid towards women and girls. This is a reflection of what the World Bank's Gender Action Plan characterises as smart economics, which is seen to

⁴ World Bank (2002). A Framework for Empowerment: Summary. Based on "Empowerment and Poverty Reduction: A Sourcebook. Poverty Reduction Group.

⁵ Ibid.

⁶ Ibid.

⁷ Batliwala, S (1993). Empowerment of women in South Asia: Concepts and Practices. New Dehli: FAO-FFHC/AD cited by Kabeer, N. 2001. Resources, Agency, Achievements: Reflections on the Measurement of Women's Empowerment in (eds). Anne Sisask, A. 2001. *Discussing Women's Empowerment – Theory and Practice*. Sidastudies.no 3.

⁸ Ibid.

have served to undermine a rights and social justice perspective.⁹ What is commonly pointed out from the feminist perspective is the influence and control of power. At its basic level, those that have power are able to make decisions and may thus be referred to as empowered, while those who cannot make decisions are in positions of disempowerment. Some have termed empowerment as the ability to create a social space that allows decisions and choices to be made individually, or within a group of people, towards the transformation of their social wellbeing.¹⁰ The practicality of application of the notion of empowerment has been a major challenge.

The definition of empowerment has generally been gender-neutral, focusing mainly on the political, social and economic empowerment of individuals and social groups without regard for specific gender power dynamics or inequalities. The above is also an acknowledgement by Anu Dandona on how many studies do not pay due regard to gender issues, especially the power inequalities between men and women.¹¹ However, following this, literature has increasingly begun to dwell on vulnerable groups, which encompasses women and children, among others. However, the lines remain blurred when it comes to the interpretation of women empowerment because some definitions entail issues of economic empowerment in the definition. Thus, as indicated at the beginning of this document, there remains a lack of agreement around the concept of “empowerment” or “economic empowerment”. For example, Anu Dandona’s definition of women empowerment touches on women’s role in the economy.¹² Anu Dandona argues that empowerment of women is essentially the process of upliftment of economic, social and political status of women in the society. Thus, it could be assumed that women’s economic empowerment is implied or assumed within some of the definitions of women empowerment. It is also widely assumed that empowering women would lead to widespread development within the economy. For instance, Matthias Doepke and Michèle Tertilt argue that, “based on this correlation, among policymakers, the idea has taken hold that there may be a causal link running from female empowerment to development. If this link were to prove real, empowering women would not just be a worthy goal in its own right, but could also serve as a tool to accelerate economic growth”.¹³

⁹ Organisation for Economic Co-operation and Development (2011). Women’s Economic Empowerment. Issues Paper.

¹⁰ Hashemi, S. and Riley, A (1996). Rural Credit Programs and Women’s Empowerment in Bangladesh. *World Development*, 24(4), 635 – 653 cited in Dandona, A. 2015. Empowerment of Women: A Conceptual Framework. *The International Journal of Indian Psychology*, 2(3),35-45.

¹¹ Dandona, A. (2015). Empowerment of Women: A Conceptual Framework. *The International Journal of Indian Psychology*, 2(3),35-45.

¹² Dandona, A. (2015). Empowerment of Women: A Conceptual Framework. *The International Journal of Indian Psychology*, 2(3),35-45.

¹³ Doepke, M. and Tertilt, M. (2016). Does Female Empowerment Promote Economic Development? Buffett Institute Global Poverty Research Lab Working Paper.

The Organisation for Economic Co-operation and Development (OECD) argues that empowerment increases women's access to economic resources and opportunities, including jobs, financial services, property and other productive assets, skills development and market information.¹⁴ The above interpretation by the OECD specifically focusses on areas believed to bring about the economic empowerment of women. Looking at its interpretations, access is addressed through areas of commercial benefit that include jobs, property and areas in financial markets. Other definitions of women's economic empowerment revolve around the role of women, and their participation and influence within decision-making, especially those relevant to areas around the economy. Eyben's definition pits both men and women as equals when defining economic empowerment.¹⁵ Eyben argues how it is the capacity of men and women to participate in, contribute to and benefit from growth processes in ways which recognise the value of their contributions, respect their dignity and make it possible to negotiate a fairer distribution of the benefits of growth.

However, historical experience has shown how inequality and disparities exist, with men having benefitted more than women, and that inequalities exist between women and men throughout the Southern African Development Community (SADC) region, where women constitute the majority of the poor.¹⁶ From a household point of view, empirical evidence on spending habits or patterns between men and women has shown how money in the hands of mothers, as opposed to fathers, increases expenditure on children.¹⁷

In terms of definitions of women's economic empowerment in South Africa, the National Policy Framework for Women's Empowerment and Gender Equality defines women's economic empowerment as the capacity of women to access and control economic resources and make decisions for improving their quality of life.¹⁸ The 2011 Status Quo Report by the DTI acknowledges the shortcomings of its 2006 Strategic Framework on Gender and Women's Economic Empowerment, in that it did not have a clear definition of women's economic empowerment.¹⁹ This was, however, rectified in the 2011 Status Quo Report which defines women's economic empowerment as, "the

¹⁴ Organisation for Economic Co-operation and Development (2011). Women's Economic Empowerment. Issues Paper.

¹⁵ Eyben, R. (2008). Conceptualising empowerment and the implications for pro-poor growth, Institute of Development Studies at the University of Sussex, Brighton cited in Organisation for Economic Co-operation and Development (2011). Women's Economic Empowerment. Issues Paper.

¹⁶ Southern African Development Community. (2012). Women Economic Empowerment Programme. <https://www.sadc.int/issues/gender/women-economic-empowerment-programme/>. Accessed: 2019.07.29.

¹⁷ Doepke, M. and Tertilt, M. (2016). Does Female Empowerment Promote Economic Development? Buffett Institute Global Poverty Research Lab Working Paper.

¹⁸ South Africa's National Policy Framework for Women's Empowerment and Gender Equality p22. see https://www.environment.gov.za/sites/default/files/.../national_policy_framework.pdf.

¹⁹ The DTI.(2011). A Status Quo Report: Towards An Enabling Environment For Women Economic Empowerment in South Africa p8 see http://www.dti.gov.za/economic_empowerment/docs/women_empowerment/Towards_Enabling_study.pdf Accessed: 2019.07.29.

ability of all women to fully participate in, contribute to, and benefit from economic growth and development. It is a broad term encompassing a range of diverse but integrated socio-economic strategies. It recognises that within this framework, there are a variety of sub-groups deserving special attention, including women from historically disadvantaged communities, young women, women with disabilities, and women living in rural areas".²⁰ This definition expands on the earlier definition, providing more details on the factors to be considered for determining the meaning, and ensuring, women's economic empowerment.

For purposes of this study, the above definition by the DTI will serve as a guide in determining the extent to which government has achieved its objective of promoting and advancing women's economic empowerment, especially amongst women from historically disadvantaged communities, and women living in rural areas. Previously, part of the challenge has been the types of beneficiaries reached by empowerment programmes, a challenge also acknowledged by the OECD.²¹ Usually when initiatives of this nature are introduced to increase women's access to and control of economic resources, those who benefit are usually knowledgeable and able women entrepreneurs rather than uneducated and disadvantaged rural and urban poor women. Therefore, it should be acknowledged that there are a number of complexities that should be considered when initiating women's economic empowerment programmes, especially in a country such as South Africa, that consists of a diverse population from diverse economic and social backgrounds.

It should also be acknowledged that women's economic empowerment is not a quick fix but requires sound public policies, a holistic approach and long-term commitment from all relevant development actors.²² An added complexity in terms of women's economic empowerment is how to measure its effectiveness, or lack thereof. Traditionally, certain traits, opportunities and circumstances have been outlined as success factors towards women empowerment. According to Anu Dandona empowerment itself has been measured by considering women's relative physical mobility, economic security, decision-making abilities, freedom from domestic violence, political awareness and participation in politics.²³ As highlighted above, strategies and frameworks to measure empowerment are plentiful. This is further acknowledged by the World Bank, as it highlighted how a number of initiatives and strategies have been created by different parties including disadvantaged groups.²⁴ The World Bank has also created its own empowerment framework that describes the relationship between institutions, empowerment, and improved development outcomes, in particular for poor people.

²⁰ Ibid.

²¹ Organisation for Economic Co-operation and Development (2011). Women's Economic Empowerment. Issues Paper.

²² Ibid

²³ Dandona, A. (2015). Empowerment of Women: A Conceptual Framework. The International Journal of Indian Psychology, 2(3),35-45.

²⁴ World Bank (2002). A Framework for Empowerment: Summary. Based on "Empowerment and Poverty Reduction: A Sourcebook. Poverty Reduction Group.

Before highlighting the areas necessary to measure empowerment, Naila Kabeer identifies the resource dimension, the decision-making agency and achievement as ways to measure empowerment.²⁵ With the belief that no single approach exists to cover the wide scope, Golla et.al have created measures specifically for women's economic empowerment as opposed to women's empowerment.²⁶ They outline agency, power and economic advancement as measures that can be used to establish economic empowerment.²⁷ However, the DTI has outlined the following strategies which, for the purposes of this study, will serve as criteria or success factors for determining the success of government's women's economic empowerment programmes²⁸:

- Increasing the number of women who manage, own and control enterprises and productive assets;
- Developing human resources and skills;
- Achieving equitable representation in all occupational categories and levels in the workforce;
- Preferential procurement; and
- Investment in enterprises that are owned or managed by women.

It should be noted that these are largely output-oriented rather than outcomes-oriented criteria or success factors.

Although differences exist, some key similarities are evident across the various definitions of "empowerment" or "economic empowerment" considered in this document. For instance, factors such as resources, decision-making, participation, skills and power appear to play an important part in the various conceptions of empowerment considered above.

2.1 WOMEN'S ECONOMIC EMPOWERMENT IN SOUTH AFRICA

South Africa is an upper middle-income country with a population of 58 million, 51% of which comprises women. It is widely documented that the incidence of poverty in South Africa is high for an upper middle-income country.²⁹ A significant proportion

²⁵ Kabeer, N. (2001). Resources, Agency, Achievements: Reflections on the Measurement of Women's Empowerment in (eds). Anne Sisask, A. 2001. Discussing Women's Empowerment – Theory and Practice. Sidastudies.no 3.

²⁶ Golla, A.M. and Malhotra, A. and Nanda, P. and Mehra, R. (2011). Understanding and Measuring Women's Economic Empowerment Definition, Framework and Indicators. International Center for Research on Women (ICRW).

²⁷ Ibid.

²⁸ The DTI. (2011). A Status Quo Report: Towards An Enabling Environment For Women Economic Empowerment in South Africa p8 see http://www.dti.gov.za/economic_empowerment/docs/women_empowerment/Towards_Enabling_study.pdf Accessed: 2019.07.29.

²⁹ World Bank. (2018). cited in Nwosu, C.O. and Ndinda, C. 2018. Female household headship and poverty in South Africa: an employment-based analysis. Economic Research Southern Africa working paper 761. p.5.

of the country's households are female-headed (55.2%), mostly in rural areas and headed primarily by elderly women.³⁰ Employment is also a major policy challenge for the country, with a high number of South Africans being unemployed. Over a three year period (2017–2019), unemployment increased by more than 2%. The rate of unemployment was 26.7% in the fourth quarter of 2017.³¹ This figure rose to 29% in the second quarter of 2019³², with the rate of unemployment among women higher than that among men. Women also continue to face greater economic, financial and other hardships compared to men. These include limited access to credit, healthcare facilities and education.³³

The country saw the dawn of its democracy in 1994. Central to the advent of the country's democracy was a commitment to equality, including gender equality and the empowerment of women.³⁴ Twenty-six years into democracy, South Africa has made great strides in reforming laws and policies which prohibited women's full participation in all social, economic and political spheres. The country's world-renowned Constitution recognises, promotes and protects the rights of women, a group that was previously discriminated against, especially black women.

In line with international law, South Africa is also a signatory to a number of international conventions, declarations, regional charters and protocols which aim to address inequalities and ultimately achieve gender equality, and which the state is obliged to implement.³⁵ In line with these international instruments and the Constitution, South Africa has enacted a plethora of legislation aimed at accelerating the implementation of government programmes to advance women's socio-economic rights and gender equality. The Department of Women, Youth and People with Disabilities (DWYPD) is one of the key state institutions with a statutory responsibility to ensure that such programmes are put in place and implemented to advance the socio-economic rights of women, and the promotion of gender equality. In 2015, the DWYPD finalised its strategic plan, which requires support from all role players for its implementation.³⁶ Various government departments are obliged to implement the adopted government strategic plan that seeks to advance women's economic empowerment programmes using their own resources.

³⁰ RSA (2014), Twenty Year Review South Africa.

³¹ Statistics South Africa (2017). Poverty Trends in South Africa: An examination of absolute poverty between 2006 and 2015. StatsSA: Pretoria.

³² Statistics South Africa. (2019). Quarterly Labour Force Survey (QLFS). StatsSA: Pretoria.

³³ UN Women <http://www.unwomen.org/en/what-we-do/economic-empowerment/rural-women>. Accessed: 2019.07.24.

³⁴ Department of Women Report (2015). The Status of Women in the South African Economy.

³⁵ United Nations Development Programme (2017). Gender Equality and Women Empowerment Brief Description.

³⁶ Ibid.

The National Development Plan 2030 (NDP) identifies women as being most affected by inequality, poverty and unemployment. Research indicates that women continue to represent the face of poverty and that poverty has different effects on men than it does on women.³⁷ For example, women mostly in rural areas continue to be denied their constitutional right to access land due to the dominance of traditional and cultural practices. This assertion is supported by Kristina Bentley, who found that, in rural areas, women who were not heads of households, or not married to a male head of household, were more vulnerable - having less access to livelihoods, assets and decision making roles - than women who were heads of households or married.³⁸ In an attempt to address this, government has, through various departments, introduced empowerment measures and programmes to address the socio-economic inequalities and disadvantages facing women in the various policy sectors. This is central to the mandate of the United Nations Development Programme (UNDP)³⁹ which usually places emphasis on gender in its approach to development.

As already mentioned, the government departments selected for this study had initiated several programmes aimed at women's economic empowerment in South Africa. However, following the institutional changes that occurred after the 2014 elections, the women's empowerment programmes initially located with the DTI were transferred to the newly established DSBD. The reasons for this decision were not clarified. Whatever the reasons, the programmes were subsequently discontinued by the DSBD following an audit of the programmes, commissioned by the DSBD, and undertaken in 2015 by SizweNtsalubaGobodo (SNG), a forensic auditing company. The audit report recommended that a number of the programmes either be discontinued or moved to another entity within government. The methodology used was questioned, in that beneficiaries of the women's economic empowerment (WEE) programmes were not consulted, nor were some officials who were key in the running and management of the programmes. It was initially believed that an overlap existed among WEE Programmes in the DTI and DSBD, however, it was later discovered from officials of both departments that projects were moved from the former to latter. The move was also found to be ill-coordinated, hasty and haphazard on the side of the Departments by SNG.⁴⁰

During a presentation to the Parliamentary Portfolio Committee on the Department of Small Business Development by the senior management of the DSBD regarding the findings of the forensic audit report, the DSBD senior leadership appeared to convey contradictory messages to the Committee. On the one hand, management informed

³⁷ RSA (2014), Twenty Year Review South Africa, 1994 – 2014. Background Paper: Women's Empowerment and Gender Equality.

³⁸ Bentley, K (2004). Women's Human Rights and the Feminization of Poverty in South Africa. "Review of African Political Economy". 31 (100).

³⁹ The mandate of the UNDP is the promotion of gender equality and the empowerment of women. See United Nations Development Programme. Gender Equality and Women Empowerment. See http://www.za.undp.org/content/south_africa/en/home/operations/projects/womens_empowerment/gender-equality-and-women-empowerment--.html. Accessed: 29.07.2019.

⁴⁰

the committee that all findings and recommendations contained in the forensic audit report were accepted and implemented as stated, leading to the abolition of all the department's programmes aimed at promoting women's economic empowerment. At the same time, members of management of the DSBD appeared to contradict each other before the Committee, in that one of the officials informed the Committee that not all the recommendations contained in the forensic report were accepted and implemented by the DSBD. The official went on to cite some programmes, including the Technology for Women in Business (TWIB), that would not be abolished. Obviously, members of the Parliamentary Portfolio Committee noted the contradictions and confusion, and found these unacceptable, but also questioned the idea that the DSBD could have accepted and implemented the forensic report findings and recommendations unquestioningly, leading to the abolition of some of the critical programmes aimed at supporting women-owned businesses.⁴¹

The five programmes selected by the CGE for inclusion in this report are listed below:

- Isivande Women's Fund which was run by the DTI, this programme is an exclusive fund that aims to accelerate women's economic empowerment by providing more affordable, usable and responsive finance than is currently available;
- B'avumile skills development programme, which was a women's empowerment capacity-building initiative aimed at identifying talent in the arts and crafts, and textiles and clothing sectors. It entailed formal training to develop women's expertise in the production of marketable goods and the creation of formal enterprises in the creative industry;⁴²
- Technology for Women in Business (TWIB) was initially a DTI programme, then later moved to the DSBD. It was introduced to, "accelerate women's economic empowerment and the development of women-owned enterprises through the recognition of technology-based business applications and systems, and to unlock constraints to enterprise innovation and growth, as well as global competitiveness."⁴³ TWIB targets women entrepreneurs who use enterprising technological innovations to increase their production and enhance the quality of their products. Their business must be a profit-making enterprise that demonstrates the diffusion of technology;
- SEDA- Women Enterprise Coaching Programme (WECP) falls under the SEDA, which is an agency of DSBD. The programme provides coaching for already established businesses that are owned and run by women; and

⁴¹ Parliamentary Monitoring Group (2016). Department of Small Business Development programme review: briefing by Minister, Deputy Minister & Director General <https://pmg.org.za/committee-meeting/22074/> Accessed: 2019.07.26.

⁴² The Department of Trade and Industry, Republic of South Africa https://www.thedti.gov.za/financial_assistance/financial_incentive.jsp?id=50&subthemeid=2. Accessed: 2019.07.26.

⁴³ The Department of Trade and Industry, Republic of South Africa https://www.thedti.gov.za/financial_assistance/financial_incentive.jsp?id=50&subthemeid=2. Accessed on 2019.07.26.

- The South African Women Entrepreneurs' Network (SAWEN).⁴⁴ SAWEN was initiated by the DTI, and subsequently registered as a Section 21 company under the DTI. It was later transferred to the DSBD. Its main objective was to facilitate access to business resources, information and opportunities for South African women entrepreneurs. The programme targeted women who engaged in informal income generating activities or operated SMMEs, or women who aspired to open businesses, particularly rural based women-owned SMMEs. SAWEN was established to confront the challenges women entrepreneurs face in their business operations. The challenges were classified into three broad categories, namely: gender, size of enterprises, and general. In order to address these challenges, this programme provided women entrepreneurs with opportunities for capacity building, business advice, business information and networking opportunities, advocacy and lobbying.

2.2. POLICIES, STRATEGIES AND PROGRAMMES FOR WOMEN'S ECONOMIC EMPOWERMENT

Women's economic empowerment in South Africa is supported by various policies and legislation. In this regard, the Constitution contains the Bill of Rights, which is a cornerstone of South Africa's democracy. The Bill of Rights affords every South African a number of basic human rights. These include the right to equality, including gender equality (Section 9), human dignity (Section 10), freedom of trade, occupation and profession (Section 22), education (Section 29), as well as the right to access information (Section 32)⁴⁵. Over the years there have been increasing calls for enacting and implementing legislation that will advance women's economic rights. As a result, South Africa enacted a range of pieces of legislation, programmes and initiatives, that seek to address the low participation of women in the economy and women's inclusion in terms of programme participation and representation and, most importantly, in terms of access to resources. Amongst the initiatives that the government has introduced is the NDP, which sets out a vision where gender equality is both formal and substantive.⁴⁶ It is envisioned that by 2030 the conditions will exist that will assist women in developing their full potential.⁴⁷ Various sections of the NDP make commitments to women's empowerment.

Another important and appropriate piece of legislation that holds potential benefits for their economic empowerment is the National Empowerment Fund Act⁴⁸. One of the objectives of this Act is to promote and support business ventures pioneered and

⁴⁴ Ibid.

⁴⁵ The Constitution of the Republic of South Africa, Act 108 of 1996.

⁴⁶ Parliament of Republic of South Africa (2017). Towards Women's Economic Empowerment: An overview of challenges, achievements, legislative mechanisms and programmes

⁴⁷ Ibid.

⁴⁸ Act 105 of 1998.

run by historically disadvantaged persons.⁴⁹ In terms of business ventures, the National Small Business Amendment Act⁵⁰ provides for the establishment of the SEDA. Among others, the functions of the SEDA include designing and implementing small enterprise development support programmes in order to:

- Facilitate the building of sustainable and competitive enterprises;
- Facilitate the promotion of entrepreneurship;
- Facilitate the creation of an enabling operating environment for small enterprises;
- Facilitate access by small enterprises to non-financial resources, capacity-building services, products and services; and,
- Improve the understanding of the public regarding the contribution of small enterprises to domestic economic growth, job creation and general welfare.⁵¹

Women-run enterprises are a key target group for SEDA.

Another piece of legislation that seeks to advance economic rights mainly for previously disadvantaged groups is the Broad-Based Black Economic Empowerment Act⁵² (B-BBEE Act). It is noteworthy to state that this Act has been at the centre of intense debates and criticisms about its effectiveness since its introduction. One of the objectives of the B-BBEE Act is to increase the extent to which black women own and manage enterprises, and increase their access to economic activities, infrastructure and skills training.⁵³ Furthermore, section 13B of the Broad-Based Black Economic Empowerment Act⁵⁴, an amendment to the 2003 Act of the same name, provides for the establishment of the B-BBEE Commission. Among others, the function of the Commission is to:

“promote advocacy, access to opportunities and educational programmes and initiatives of broad-based black economic empowerment”; “to maintain a register of major broad-based black economic empowerment transactions, above a threshold determined by the Minister in the Gazette”; and “to receive and analyse such reports as may be prescribed concerning broad-based economic empowerment compliance from state, public entities and private sector enterprises”.

The establishment of this Commission was critical because its founding legislation defines “broad-based black economic empowerment” in such a way that it refers to the viable economic empowerment of not only black people, but particularly women (including those in rural areas).

⁴⁹ National Empowerment Fund Act, 1998 (Act No. 105 of 1998).

⁵⁰ Act 29 of 2004.

⁵¹ The National Small Business Amendment Act 29 of 2004.

⁵² Act 53 of 2003.

⁵³ BEE Commission (2018). BEE Commission to highlight women economic empowerment. <https://www.sanews.gov.za/south-africa/bee-commission-highlight-women-economic-empowerment>. Accessed: 2020.01.21.

⁵⁴ Act 46 of 2013.

Another key policy initiative that seeks to advance women's economic rights is the Strategic Framework on Gender⁵⁵ and Women's Economic Empowerment, which is central to all programmes aimed at promoting broader participation, equity and redress. Among other things, this strategy was designed to create strong institutions to represent women entrepreneurs, and assist them to become advocates of addressing the unique challenges faced by women in business.⁵⁶

Furthermore, the Department of Women, Youth and Persons with Disabilities developed a framework known as Women's Financial Inclusion Framework 2019. The framework includes a commitment to ensuring that all women have effective access to appropriate financial products.⁵⁷ However, it does not end with access to financial products, the concept extends further to include non-financial aspects that are required by women to be entrepreneurs with the right skills and knowledge to compete in the economic environment.⁵⁸ Prior to this Framework, the department introduced the Framework on Gender-responsive Planning, Budgeting, Monitoring, Evaluation and Auditing (GRPBMEA) 2018. GRPBMEA is regarded as imperative in achieving the country's constitutional vision of a non-sexist society. It is aimed at ensuring better outcomes for women and girls and more tangible gender impacts in South Africa. It is based on the view that investing in women's empowerment and reducing the gender gap is an important driver of inclusive economic growth and development and will benefit all.⁵⁹

There is a plethora of other policy frameworks and Acts of Parliament and other formal documents that are, in various ways, intended to contribute towards promoting women's economic empowerment and related aspects, such as financial inclusion and participation, including:

- The Promotion of Equality and Prevention of Unfair Discrimination Act⁶⁰;
- The South Africa's National Policy Framework for Women's Empowerment and Gender Equality, 2000;
- The Basic Conditions of Employment Act⁶¹;
- The Employment Equity Act⁶²;
- The Preferential Procurement Policy Framework Act⁶³;

⁵⁵ Department of Trade and Industry (2007) Draft Strategic Framework on Gender and Women's Economic Empowerment.

⁵⁶ Ibid.

⁵⁷ Department of Women, Youth and Persons with Disabilities (2019). Women's Financial Inclusion Framework.

⁵⁸ Ibid.

⁵⁹ Ibid.

⁶⁰ Act 4 of 2000.

⁶¹ Act 75 of 1997

⁶² Act 55 of 1998.

⁶³ Act 4 of 2000.

- The Commission of Gender Equality Act⁶⁴; and,
- The Skills Development Act⁶⁵.

The Women's Financial Inclusion Framework is aimed at, but not limited to, giving effect to some of the above legislative and policy frameworks. Its intention is not to exclude any other relevant national objectives or policy frameworks, but to enhance the acceleration of women's socio-economic inclusion, both in the public and the private sectors.⁶⁶

In addition to the above policy and legislative frameworks, other types of official documents and reports are available to articulate some of the key ideas intended to guide government and its entities in terms of promoting women's economic empowerment and related aspects thereof:

- Report on the Status of Women in the South African Economy, 2015;
- The President's Directive to the Economic Sectors Employment and Infrastructure Development (ESEID) Cluster Ministers, 2015;
- The Department of Planning, Monitoring and Evaluation's Socio-economic Impact Assessment System (SEIAS) Guidelines, 2015; and,
- The Baseline Report on Gender Analysis of the Department of Trade and Industry's Services and Funding Processes, 2019.

It is of cardinal importance to state that South Africa has signed various regional and international treaties and agreements related to the promotion of women's economic empowerment. This means the country is bound by provisions of these treaties and agreements. The African Union's Solemn Declaration on Gender Equality in Africa recognises that women's economic participation is central to the fulfilment of lived equality⁶⁷. Furthermore, the Declaration establishes an African Trust Fund for Women for the purpose of building the capacity of African women in both urban and rural areas⁶⁸. Article 13 of the Protocol to the African Charter on Human and People's Rights on the Rights of Women, known as the Maputo Protocol, asserts that, "state parties shall enact laws to guarantee equal opportunities for women and men in work and career advancement and access to other economic opportunities."⁶⁹ In this respect, state parties shall provide resources for job creation for women in the trade and craft industries⁷⁰. Similarly, Article 17 of the SADC Protocol on Gender and Development expresses the same sentiments as the Maputo Protocol, and further identified 2015

⁶⁴ Act 39 of 1996.

⁶⁵ Act 97 of 1998.

⁶⁶ Supra (Note 58).

⁶⁷ Levendale, C. (2017), Towards Women's Economic Empowerment: An overview of challenges, achievements, legislative mechanisms and programmes. International Women's Conference.

⁶⁸ Ibid.

⁶⁹ Protocol to the African Charter on Human and People's Rights on the Rights of Women, 2005.

⁷⁰ Ibid.

as the target deadline for fulfilling the processes needed to achieve economic empowerment for women.

The United Nations Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) recognises that discrimination against women violates the principles of equality of rights and respect for human dignity, and is an obstacle to the participation of women, on equal terms with men, in the economic life of their countries.⁷¹ Article 14 of the CEDAW⁷² specifically speaks to “special help for rural women” and states that state parties shall take into account the particular problems faced by rural women and the significant roles which rural women play in the economic survival of their families. Also, state parties shall ensure that rural women enjoy their right to, among others: organise self-help groups and cooperatives in order to obtain equal access to economic opportunities through employment or self-employment; and to have access to agricultural credit and loans, marketing facilities, appropriate technology and equal treatment in land and agrarian reform, as well as in land resettlement schemes.⁷³ Lastly, the Beijing Declaration and Platform for Action expresses commitment to:⁷⁴

“promoting women’s economic independence, including employment, and eradicate the persistent and increasing burden of poverty on women by addressing the structural causes of poverty through changes in economic structures, ensuring equal access for all women, including those in rural areas, as vital development agents, to productive resources, opportunities and public services”.

2.3. INSTITUTIONAL DESIGN

The purpose of this subsection is to provide brief descriptions of the relevant institutional design features or structural aspects and responsibilities of the departments selected for this study, particularly those features that are critical and important for driving women’s economic empowerment programmes and related activities.

2.3.1. Department of Trade, Industry and Economic Development (DTIED)⁷⁵

In 2007, the Department of Trade and Industry was driving all known initiatives aimed at the economic empowerment of women in South Africa. A variety of initiatives had already either been established, initiated or were in the process of being finalised.

⁷¹ UN Convention on the Elimination of All forms of Discrimination against Women (CEDAW), 1981.

⁷² Ibid.

⁷³ Ibid.

⁷⁴ The Beijing Declaration and Platform of Action, 1995.

⁷⁵ The name of this department changed following institutional changes in government, from Department of Trade and Industry (DTI) to Department of Trade, Industry and Economic Development (DTIED). However, both names will be used interchangeably in the report depending on the context.

Central to all this work was the document called the Strategic Framework on Gender and Women's Economic Empowerment, 2007. The Gender and Women's Empowerment Unit of the DTI was one of the key drivers of the strategy.

The Strategy had a five-year Implementation Plan from 2007 to 2011⁷⁶; it was structured in order of priority as follows:

- *Phase One*: Women and the Financial Market – Establishment of a National Women's Fund. (One year), 2007;
- *Phase Two*: Mobilising and strengthening South African Women in Business. Member organisations of the National Council on Gender & Women's Economic Empowerment NCBWO. (Two years), 2007-2008;
- *Phase Three*: Entrepreneurial Education, Training and Skills Development. Cooperatives, Rural enterprises, Internships and Science and Technology. (Five years), 2007-2011;
- *Phase Four*: Trade and Development. Trade missions and Export development. (Five years), 2007-2011;
- *Phase Five*: Research and Development. (Five years), 2007-2011; and,
- *Phase Six*: Annual review, evaluation and adjustments as part of the department's strategic planning.

However, it is not clear whether or not the DTI was able to implement the above strategy and its planned phases as intended, given that the DTI's own 2011 Status Quo Report does not make any reference to the implementation of the Strategy. In terms of the specific structure or unit inside the DTI, the Empowerment and Enterprise Development Division was responsible for creating an enabling environment conducive for the development and growth of sustainable SMME's and Cooperative Enterprises.⁷⁷ The other programmes outside of the Gender and Women's Empowerment Unit are outlined in the table below. During the 2011/2012 period, the Gender and Women's Empowerment Unit was responsible for Isivande Women's Fund, B'avumile Skills Development Programme and SAWEN.⁷⁸ The Gender and Women's Empowerment Unit was meant to facilitate broader participation and the overall restructuring of the South Africa's economy for inclusive growth, as well as for being a catalyst in creating an enabling environment for women's participation in a growing economy.⁷⁹

⁷⁶ The DTI (2006). Draft Strategic Framework on Gender and Women's Economic Empowerment. http://www.dti.gov.za/economic_empowerment/women_empowerment_policies_strat.jsp. Accessed: 14.10.2019.

⁷⁷ The DTI (2012). Empowerment Enterprise Development Division Operational Plan 2011/2012.

⁷⁸ Ibid

⁷⁹ The DTI (2011). Gender and Women Empowerment Unit: Business Plan

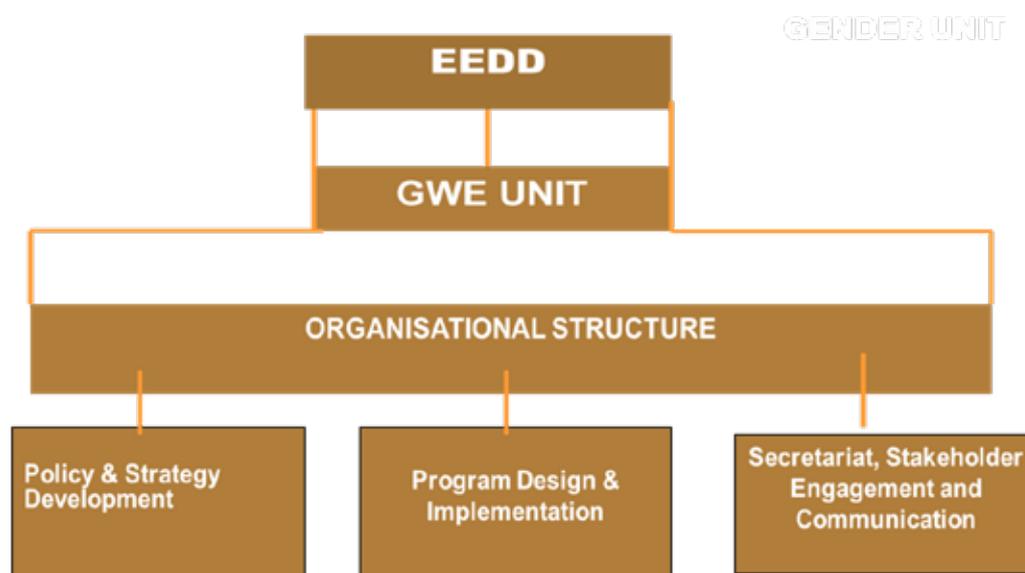
Figure 1: Organisational Structure of Empowerment and Enterprise Development Division

Empowerment and Enterprise Development Division (EEDD)	
1. Regional & Local Economic Development	5. Gender and Women's Empowerment
2. Economic Infrastructure & Logistics	6. Black Economic Empowerment
3. Innovation & Technology	7. Cooperatives Development
4. Skills for Economy	8. Small Enterprise Development

Source: Empowerment Enterprise Development Division Operational Plan 2011/2012.

A further breakdown illustrates some of sub-divisional programmes within the Gender and Women Empowerment Unit, designed to enhance its structural efficiency to achieve its programme objectives. Programmes such as Isivande Women's Fund, B'avumile Skills Development Programme and SAWEN were placed under a structure called Program Design and Implementation Unit.

Figure 2: Empowerment and Enterprise Development Division and structural breakdown



Source Gender and Women Empowerment Unit: Business Plan 2011

Table 2: Staff Component Gender and Women Empowerment Unit (GWE)

Position	Number
• Chief Director	1
• PA to the Chief Director	1
• Directors	3
• Deputy Directors	4
• Assistant Directors	4
• Admin Officer	1

• Contract Employees	2
• Interns	2
• Team Assistant	1
Total	19

Source: Gender and Women Empowerment Unit: Business Plan 2011

The above is the staff component of the GWE in 2011 under the DTI, inclusive of vacant positions.

2.3.1.1. Black Broad-Black Economic Empowerment Commission

The B-BBEE Commission is a regulatory body established within the DTI, in terms of the B-BBEE Act, as amended by the 2013 B-BBEE Act, to oversee the implementation of the B-BBEE Act and investigate violation of its provisions.⁸⁰ The Commission monitors the B-BBEE legislation and its implementation, including defining BEE Codes and BEE ratings for service providers involved in state procurements of goods and services. Such BEE Codes and ratings are critical and potentially effective policy tools in the hands of state supply chain and procurement practitioners, to enhance adherence to, and compliance with, the provisions of relevant legislation aimed at promoting women's economic empowerment.⁸¹

Among the enumerated functions of the B-BBEE Commission are the following:

- To promote advocacy, access to opportunities and educational programmes and initiatives of B-BBEE;
- To maintain a registry of major B-BBEE transactions, above a threshold determined by the Minister by notice in the Government Gazette; and,
- To receive and analyse such reports, as may be prescribed, concerning empowerment-BBEE compliance from organs of state, public entities and private sector enterprises.

While its role with regard to women's economic empowerment is not clearly stated, for this study, its role is understood based on the premise that there are critical regulations developed by the DTI which are intended to underpin and contribute towards the goal of women's economic empowerment, especially through state procurement processes. The study also considered the importance of such regulations to promote women-owned business enterprises, combined with the intended objectives of specific pieces of legislation, such as the Preferential Procurement Policy Framework Act⁸², as

⁸⁰ BBEE-Commission (2018). Who is the B-BBEE Commission? <https://www.bbbeeecommission.co.za/frequently-asked-questions/> Accessed: 14.10.2019.

⁸¹ Interview with B-BBEE Commission. 04 / 10/ 2019. 9:00-10:00.

⁸² Supra (Note 61).

critical in the potential impact of the B-BBEE Commission in advancing the goal of women's economic empowerment.

The Commission also conducts investigations and makes findings on companies that fail to adhere to provisions of the law related to B-BBEE, including women's economic empowerment. While the B-BBEE-Commission does not have a specific definition of, or programme aimed at, women's economic empowerment, its contribution to this policy area is guided by the provisions of the B-BEE Act, as amended, which identify women as a target beneficiary group in terms of promoting B-BBEE in South Africa.

In terms of specific targets for women's economic empowerment, officials from the B-BBEE Commission who were interviewed for this study reiterated that the Commission's work is guided by the objectives and targets already set in place by the relevant BEE legislation, particularly the B-BBEE Act. Black women are identified, under a section of the B-BEE Act labelled "Enhanced Recognition for Certain Categories of Black People," as a target beneficiary group which demands that they should form between 40% and 50% of the beneficiaries of the relevant elements of the scorecard. It is therefore clear that, through this provision and specific numerical targets set in the B-BEE Act, black women are being prioritised for economic empowerment through state supply chain and procurement processes. This provision relates to the supply chain and procurement scorecard grading processes involving, among others, the weighting of score points and compliance targets against the number of black women being represented in the ownership and control structures of business entities vying for state service level contracts.

The approach pursued by the B-BBEE Commission, as specified in its strategic plan, places emphasis on supporting minority beneficiary groups. According to the B-BBEE Commissioner,⁸³ the Commission will reach out to more people to ensure that it benefits all intended beneficiaries, and will include specific measures directed at rural communities, women and people with disabilities. The Commissioner insists that the Commission is aware of the fact that currently, the situation of black women-owned businesses is dire. This is in spite of the provisions of the B-BBEE Act demanding that the Enterprise and Supplier Development Scorecard and B-BBEE Procurement Spend from Empowering Suppliers meet a 30% target for black women-owned companies. This is based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend.⁸⁴ According to the 2018 National Status and Trends on Black Economic Empowerment Report, black women ownership of businesses remained low at an average of 9%, with large or listed companies being only 30%

⁸³ BBEE-Commission (2017). Strategy of the Broad-Based Black Economic Empowerment Commission 2017/18-2021/22. <https://bbbeecommission.co.za/wp-content/uploads/2017/05/B-BBEE-Commission-Approved-Strategy.pdf> Accessed: 14.10.2019.

⁸⁴ Broad-Based Black Economic Empowerment Act 53 of 2003 as amended by Act 46 of 2013

black owned.⁸⁵ The scenario whereby black women-owned businesses do not meet the 30% target places further pressure on the preferential procurement scorecards of large reporting entities, given that the 30% target is required on the preferential procurement scorecard as indicated above.⁸⁶

Based on interviews conducted with officials from the B-BBEE Commission, the Commission would like to work with the DTI through policy and programmatic support for the development and growth of 30% black women-owned businesses. This would also include closely monitoring progress on the 30% target for black women-owned businesses.⁸⁷ However during interviews with officials from the B-BBEE Commission, the officials were keen to place more emphasis on the role of the Commission in terms of enforcement of the B-BBEE Act, as amended, rather than developing and implementing its own programmes aimed at the economic empowerment of women, which would exceed the scope of its mandate.

In its 2019 National Status and Trends on Black Economic Empowerment Report, the Commission repeated what was highlighted in the 2018 report – that the B-BBEE Commission should work with the DTI and other government entities to enhance support for women-owned businesses through existing and new programmes and initiatives, and emphasised the need to closely monitor progress on black women-owned entities.⁸⁸ However, it would seem that despite the Commission identifying this as an area of importance in the 2018 and 2019 National Status and Trends on Black Economic Empowerment Reports, there does not seem to have been any noticeable change or progress in this regard. The B-BBEE Commission does, however, commit to an initiative similar to the YES Programme⁸⁹ in order to address issues of transformation. In dealing with gender inequality and race transformation, the B-BBEE Commission acknowledges the lack of adequate representation of black women and men on board of directors of the Johannesburg Stock Exchange (JSE) listed companies as a barrier against transformation.⁹⁰

⁸⁵ BBEE-Commission (2018). National Status and Trends on Black Economic Empowerment Report. <https://bbbeecommission.co.za/wp-content/uploads/2018/08/National-Status-and-Trends-on-Black-Economic-Empowerment-Report-31-March-2018-FINAL.pdf> pg7 Accessed: 2020.01.08.01.

⁸⁶ Ibid.

⁸⁷ Ibid.

⁸⁸ BBEE-Commission (2019). National Status and Trends on Black Economic Empowerment Report. <https://www.bbbeecommission.co.za/wp-content/uploads/2019/06/National-Status-Trends-on-Black-Economic-Empowerment-Report-31-March-2019-Approved-FINAL.pdf> Accessed: 08.01.2020

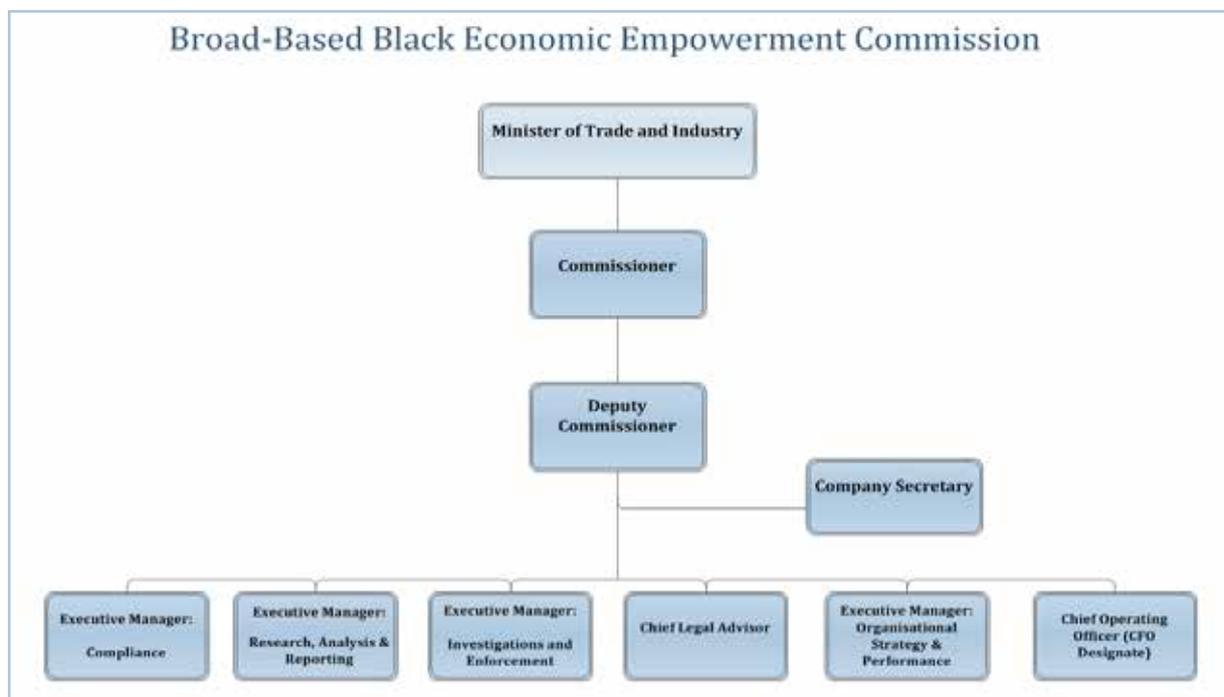
⁸⁹ The YES programme is an intervention premised towards grooming Black Managers above the age of 35 in order to accelerate transformation of Black Managers.

⁹⁰ BBEE-Commission (2019). National Status and Trends on Black Economic Empowerment Report. <https://www.bbbeecommission.co.za/wp-content/uploads/2019/06/National-Status-Trends-on-Black-Economic-Empowerment-Report-31-March-2019-Approved-FINAL.pdf> Accessed: 08.01.2020id

• **The B-BBEE Commission Organisational Structure**

The Organisational Structure shown below is based on the defined strategic goals of the B-BBEE Commission, as informed by the Commission's mandate in the B-BBEE Act. The organogram shows that Commissioner of the B-BBEE Commission, including the management and operational staff, account to the DTI for the Commission's annual activities and programmes. As a public entity, the Commission accounts to Parliament through the Minister of the DTIED.⁹¹

Figure 3: Broad-Based Black Economic Empowerment Commission Organogram



Source: B-BBEE Commission 2019

2.3.2. Department of Small Business Development

Following the creation of the department in 2014, and the inheritance of the Women Economic Empowerment programmes previously housed within the DTI, the DSBD further incorporated the Gender and Women Empowerment Unit (GWE). Its purpose was to develop, support and promote women entrepreneurs towards significant participation in the mainstream economy.⁹²

⁹¹ However, although other documents can be accessed the annual reports at the time of write-up was not available online.

⁹² DSBD (2015). Gender and Women Empowerment Unit – Business Plan.

Table 3: Staff Component Gender and Women Empowerment Unit (GWE)

Position	Number
• Chief Director	1
• PA's to the Chief Director	1
• Directors	2
• Deputy Directors	3
• Assistant Directors	3
• Admin Officer	1
• Team Assistant	2
Total	13

Source: Gender and Women Empowerment Unit – Business Plan 2015

The table above shows the staff component of the GWE in the DSBD for 2015, including vacancies. While it is clear that the DSBD had also established a similar GWE Unit to the one that was responsible for women empowerment programmes at the DTI, it was not clear whether the DSBD had adopted the same internal structural design for driving its women empowerment programmes as that which existed under the DTI, although the staff from the DTI were transferred with the programmes from to the DSBD after the 2014 elections.

3. RESEARCH FINDINGS

3.1. B'AVUMILE SKILLS DEVELOPMENT PROGRAMME

3.1.1. Brief Background

When President Thabo Mbeki appointed Ms. Phumzile Mlambo-Ngcuka as Deputy President in 2005, he assigned her the responsibility of driving the Accelerated and Shared Growth Initiative of South Africa (ASGI-SA). This broader plan had various initiatives meant to eradicate obstacles to economic growth. The initiative was meant to reduce and eradicate poverty by the second decade (i.e. 2004 – 2014) of South Africa's democracy.

As earlier indicated, on page 27 of this report, in 2007, the DTI produced a Strategic Framework document which outlined strategies and programmes to be established for women's economic empowerment. It is on the basis of the above that several projects aimed at the empowerment of women were conceptualised; the B'avumile Skills Development Programme was one of them. Official documents highlight the fact that SMMEs and cooperatives, of which B'avumile Skills Development Programme was one, were initially the responsibility of the DTI. When the Department of Small Business Development (DSBD) was established, most of the programmes that were dealing with SMMEs and cooperatives development were transferred to the DSBD.

The term "B'avumile" means, "they have agreed" or "They Can!" This was an initiative of the South African Women Enterprise Network (SAWEN), which was, "furthering the objectives of ASGI-SA, focussing mainly on poor women. Through a partnership with Uhambo CC, the initiative was motivated by the belief that South African women, mainly those from disadvantaged background, possess the underlying willingness and desire to change their economic circumstances, including those of their families".⁹³ The main focus of B'avumile Skills Development Programme was to identify talent in clothing, textile, arts and crafts sectors among women. It is a formal training programme to develop their expertise in the production of marketable goods and the creation of formal enterprises in the creative industry.

Based on information obtained from the DTI website, "B'avumile Skills Development Programme provides training to mostly rural-based women to improve the quality of their products and enable access to both domestic and international markets. With the

⁹³ "B'avumile!" Growing Women Owned Cooperatives Through Skills Enhancement and Product Development Project Proposal, Department of Trade and Industry, January 2008.

focus being on skills development and empowering women economically, B'avumile seeks to:

- Recruit women who are currently involved in the creative, clothing and textile industries, with skills in embroidery, sewing, weaving and beading;
- Provide specialist skills training and assist women to establish their own enterprises or cooperatives;
- In partnership with SEDA, provide additional training in packaging, customer service, basic bookkeeping and registering a business; and,
- A Five-day training session is provided to groups of women in municipalities who are then provided with sewing machinery to grow their businesses."⁹⁴

In 2009, the DTI submitted a Skills Development Proposal to the Department of Labour through the National Skills Fund, requesting funding for the project in order to, "develop their expertise in production of marketable goods and creation of formal enterprises in the creative industry".⁹⁵ This would assist the department in overcoming the constraints of quality, and upscaling of the project.

According to the limited programme information available to this study, with particular reference to the proposal document mentioned above, the DTI indicated that over a three-year period (2006 - 2008), over 270 women had been trained successfully, highlighting the following:

- Women who were trained in KwaZulu-Natal formed cooperatives and were presumed to be still together and having contracts with a number of organisations;
- A number of women who were trained have strengthened their businesses, increased their income, and have been able to create jobs within their communities;
- Women trained in Queenstown in the Eastern Cape now have a contract with the Department of Social Development, making school uniforms for orphans of HIV-related deaths; and,
- Women from the Northern Cape have formed two cooperatives and have started bidding for municipal tenders; they currently have a contract with the municipal library to make bags."⁹⁶

⁹⁴ <https://showme.co.zalifestyle/dti-sets-up-support-structures-for-women-in-business/> accessed 20/11/2019

⁹⁵ B'avumile Skills Development Proposal Strategic Project Funding Proposal to the National Skills Fund, p.2 the DTI, 16 March 2009.

⁹⁶ Ibid.

Given limited information and the poor record keeping that characterised many of the programmes, and their stated successes, it was difficult to verify some of these claims with concrete evidence. Also, limited information and poor record keeping on this programme made it impossible to track and ascertain what happened to the proposal submitted to the Department of Labour. However, telephone interviews conducted with the project staff and managers indicate that the proposal was never approved by the Department of Labour. It would appear that instead, the DTI provided all the necessary funding for the project from its own internal resources.⁹⁷

The B'avumile Skills Development Programme was designed mainly for women involved in the arts and crafts activities. One of the DTI officials⁹⁸ involved in the management of the project while it was still under the DTI in 2009, admitted to a poor recollection of the programme details, indicating that at the time, women were provided with presentation skills to be able to sell their products at competitive prices. At the time, it would appear that the DTI was concerned with the apparent exploitation that was rife within the sector, with reference to tourists who purchased low-priced products in bulk in order to re-sell them at exorbitant prices in their respective countries. Based on interviews conducted with departmental officials and staff involved in this programme, some of the other services and assistance rendered to the beneficiaries of this programme included the following:

- Training women to sew;
- Assisting them with packaging and pricing so that their products would be marketable; and,
- Those whose businesses were excelling or successful were chosen to showcase their products during international and national trade missions.

However, as already indicated, the limited information and poor record keeping that characterised these initiatives made it impossible to assess the extent to which some of the services and assistance were indeed rendered to the beneficiaries as claimed by the officials, and the extent to which such services and assistance accounted for the success of some of the businesses -especially in cases where such businesses were already operating successfully- as claimed by the officials. In some instances where the beneficiaries were willing to be interviewed, the extent to which they credited their successes to such services and assistance as rendered by the programme was fairly modest or even limited.

⁹⁷ Telephonic Interview with DTI official, 2019.10.16.

⁹⁸ Interview with the DTI official. 2019.10.02.

3.1.2. Criteria for funding/support

According to information obtained through interviews with programme staff and managers of the B'avumile programme, and limited documentation available on the programme prior to its relocation to the DSBD, the programme focussed on identifying talent among women involved in the clothing, textile, arts and crafts sectors. In a presentation to Parliament's Portfolio Committee on Women, Children and People with Disabilities in 2012, the DTI states that, "B'avumile is a formal training programme to develop (women's) expertise in the production of marketable goods and the creation of formal enterprises in the creative industry".⁹⁹

The selection criteria aimed at identifying and targeting women whose companies were registered in the Companies and Intellectual Property Registration Office (CIPRO) database, but it appears that the emphasis was on women from the rural provinces such as Mpumalanga, KwaZulu-Natal, Limpopo, Eastern Cape, North West and Northern Cape.

3.1.3. Effectiveness of the project

One of the objectives of this exercise is to assess or determine the extent to which the support services and assistance to the beneficiaries of the programme made a difference and accounted for the successful operations of their businesses and entrepreneurial activities at the time of such support by the DTI and DSBD. That support took the form of, among others, funding and other technical and material support. However, the limited information and poor record keeping made this endeavour largely fruitless.

Available information nonetheless shows that on 23 May 2012, a presentation was made to the Parliamentary Portfolio Committee on Women, Children and People with Disabilities on the various projects being run by the department at the time. The presentation on the B'avumile programme indicated that, "a number of women who had successfully undergone training through B'avumile, run successful businesses in a number of provinces and have been further assisted through other department of Trade and Industry schemes, for example, the Cooperatives Incentive Scheme."¹⁰⁰ The presentation highlighted five-day training sessions hosted by municipalities, which included women being provided with sewing machines to grow their businesses. However, the presentation did not provide greater details regarding the sustainability of the project, such as the provision of sewing machines by municipalities, nor did it

⁹⁹ Presentation to the portfolio Committee on women, Children and People with Disability by the DDG Enterprise and Development and Empowerment division, 23 May 2012.

¹⁰⁰ Power point presentation by DDG: Enterprise to the Portfolio Committee on Women, Children and People with Disabilities, p.12, 2012.

highlight how and to what extent the provision of the sewing machines contributed to the successes of the businesses involved.

In 2012, the DTI produced a document known as 'Women's Enterprises Success Stories.'¹⁰¹ However, much of the information about these businesses appeared anecdotal, especially as it referred to the B'avumile Skills Development Programme whilst working through a cooperative scheme framework, without much detail on such a framework. Information on these success stories could not be verified or confirmed. Some of the claims made in the presentation are repeated below:

- In 2000, a rural businesswoman in KwaZulu-Natal, known as Nora Zwane, studied business management and in 2008, she decided to apply her skills and established a business venture known as "Buhle be Allen". Through the DTI's Cooperative Incentive Scheme, she and her team acquired an additional knitting machine which helped them to produce more school wear and other clothing¹⁰², and,
- In Kimberley, in the Northern Cape, a group of women, who worked in a company which specialised in the making of school wear, found themselves without work when the company relocated to KwaZulu-Natal. The 21-strong team of women were led by Julia Links, and were able to establish their own company, known as "Future Creations". Through the DTI's Cooperative Incentive Scheme, the company has grown to exponential levels where they are now producing overalls and dust coats, as well as patient uniforms, gowns and towels, sheets and pillow cases, doctors' pants and vests, school uniforms, sportswear and corporate clothing.¹⁰³ The DTI has also created annual financial assistance for Future Creations members to attend expos and shows, in order to keep the company abreast of the latest trends and thus given the opportunity to promote their products to new markets.

Clearly, the information provided in the presentation was limited in terms of identifying the scale of the successes that could be attributed to the support and assistance rendered to recipients through the B'avumile programme, including any evidence of concrete, long term and sustainable impact on the businesses involved.

In terms of targets set and achieved by the programme, the programme official¹⁰⁴ interviewed for this study admitted that it was difficult to quantify this, indicating that the businesses that were being supported and assisted were not running at the same pace. The official insisted that the businesses were introduced to the programme at various phases and were running at their own paces, and that budgets were fluctuating. Further, that in some instances, funding support had to be negotiated internally within

¹⁰¹ 'Women's Enterprise success stories' – Siya zenzela. Women doing it for themselves, 2012.

¹⁰² Ibid, p. 18.

¹⁰³ Ibid. p.24.

¹⁰⁴ Interview with DTI official. 2019.10.02. 11:00-13:00.

the department. Nonetheless, it is claimed that the B'avumile project, through the Marketing Assistance Unit of the DTI, played a critical role in terms of outward selling missions. Available information provided by the department also indicates that the women entrepreneurs were invited to various local and international conferences to showcase their arts and crafts. Examples of international business conferences mentioned are those held during the Atlanta Fair in Georgia, in the United States, as well as conferences held in Athens, Istanbul and Paris. One example of a local business conference was at the O.R. Tambo International Airport, where one beneficiary of the programme, "Kea Nthabi African Design"¹⁰⁵, was mentioned in the department's "Success Stories" booklet.

Some of the beneficiaries of the B'avumile project agreed to be interviewed for this study. This was important in order to assess the validity of some of the claims made by the government officials regarding the successes achieved by the programme. The two informants from KwaZulu-Natal in particular, who had attended different training sessions, did state that they benefitted from the training by learning new skills, such as how to design pillows, design embroideries on clothing, make door mats, dolls and beads. Informants from other provinces stated that they were taught how to read and cut out designer patterns and how to thread and make use of the various types of machines, such as the overlock machines.

However, there were mixed responses from the beneficiaries in terms of the five-day training programme from municipalities in the various provinces, that included the provision of sewing machines. The programme ranged from acquisition of skills on how to use the machines, reading clothing patterns and using the tread machines. In other instances, the participants were taught how to make traditional dolls to be sold in the market. Six out of the ten participants interviewed for this programme indicated that the training received helped to enhance their sewing skills. The participants did, however, seem unhappy that no attendance certificates were provided as part of the training.

According to available programme documentation, municipalities were brought into the operations of the programme to play a pivotal role in terms of providing sewing machines to participants who completed the training. However, only two participants - from the Eastern Cape and Northern Cape - confirmed receiving sewing and overlock machines after completing their training. However, it is not clear what sort of ongoing support and assistance was provided to the recipients of these sewing machines, if any. Only the participant from the Francis Baard Municipality indicated that departmental officials made follow-up visits after completion of the training. Some of the recipients claimed that the sewing machines made a positive difference to their businesses, in that they were able to increase human capacity by employing more people, or venture

¹⁰⁵ Ibid.

into other business endeavours, such as sewing Matric Dance jackets or entering the catering business.

Also, contradictory messages emerged from the beneficiaries regarding the impact of the B'avumile Skills Development Programme. Those who benefitted in terms of having received the machines stated that the programme changed their mindsets and enhanced their lives by engaging in more income-generating projects, such as home-based care and fishery – noted in Limpopo - and others are doing charity work by sewing curtains for orphanages. However, others claimed that they did not benefit significantly from the programme. For instance, four of the participants who had participated in the training had already owned and operated their own businesses prior to being introduced to the programme. They claimed that the training sessions did not assist them to grow their businesses, and that they did not receive the sewing and overlock machines as promised. They referred to a raft of grievances including a lack of information about programme funding options to assist them to grow their businesses. They referred to a lack of ongoing support and engagement from departmental or municipal officials after completion of the training.

The SizweNtsalubaGobodo (SNG)¹⁰⁶ forensic audit report referred to above, made the following findings on the B'avumile Skills Development Programme, which appear to give credence to some of the complaints conveyed by the beneficiaries of the programme regarding its limitations:

- B'avumile provides technical skills and is not focused on developing SMMEs;
- The programme does not offer capacity-building training and opportunities for participants in order to assist them with market-building for their enterprises; and,
- The programme does not add value to the work of the department. Therefore, it was recommended that the B'avumile programme be discontinued at the end of 2015/2016 financial year, and integrate the skills development aspect into SEDA, as this is part of its mandate.¹⁰⁷

As a result of the forensic audit report findings, the B'avumile Skills Development Programme was discontinued by the DSBD, where it had been relocated to together with the others, after 2014. Also, available information from the DSBD does not indicate to what extent the DSBD itself believed that the programme added value to the work of the department or achieved some of its key stated goals. Yet by discontinuing the programme, it would appear that the department agreed with the forensic audit report that the programme, among others, did not add value to its work, despite having made statements to the contrary in the past.

¹⁰⁶ SizweNtsalubaGobodo (2016). Programme Review: Key Findings and Recommendations: Presentation to the Portfolio Committee on Small Business Development.

¹⁰⁷ Ibid. p. 53

3.1.4. Marketing and information dissemination on the programme

In terms of how the informants knew about the programme; six out of ten informants stated that they were informed about various programmes hosted by the department when they registered their companies in the CIPRO database, or through participating in SAWEN meetings. An informant from Limpopo stated that she had attended a fashion design road show that was hosted by the department. That's how she learned of the existence of SAWEN as a networking business platform that was established by the department in collaboration with the municipalities to ensure that women in various provinces would share lessons.

3.1.5. Challenges experienced by the programme

As indicated already, lack of information on the programme and the effectiveness of its implementation - whether under the DTI or DSBD - made it difficult to assess to what extent it met its key objectives of economically empowering the women who were selected as its beneficiaries. Access to official programme documents from the DTI or DSBD, apart from presentations made to bodies such as Parliament's Portfolio Committees, was extremely limited.

What compounded this problem is also the fact that it appears that both the DTI and the DSBD did not have clearly defined indicators to measure the success of the interventions made through the programme. As a result, it was difficult if not impossible to assess the success and impact of the programme. Even officials from the DTI and the DSBD could not confidently claim programme success, other than from anecdotal success stories from some beneficiaries contained in the presentation to Parliament, or other departmental documents on the "Success s=Stories.

While official programme documents did not openly refer to problems affecting the effective implementation of the programme, interviews with some of the departmental officials revealed some obvious problems. For instance, limited human resource capacity in the department was clearly a key constraint for the programme. An official referred to one individual managing four programmes - B'avumile, TWIB, Women in Science and Technology, as well as SAWEN - being implemented across the country under the DTI. This, apparently, severely limited the effectiveness of management of the programmes, including lack of capacity to monitor and assess them.

3.1.6. Monitoring and evaluation system

Available information on the programme, including interviews with programme staff, shows that there was no systematic monitoring and assessment of the impact of the interventions made through this programme. For instance, even for some of the activities such as the Five- Day Skills Training Sessions that took place in municipalities in various provinces, there was not adequate capacity to make follow-up assessments or ongoing monitoring by departmental officials or trainers, to establish the extent to which the beneficiaries derived positive benefits from the training. In cases where some officials made visits, for example in the Eastern Cape, it was a once-off visit without an assessment to enable the department to determine the systematic impact of the programme on the economic empowerment of the beneficiaries.

3.2 ISIVANDE WOMEN'S FUND

3.2.1. Brief background

Isivande Women's Fund (IWF) was founded by the Department of Trade and Industry as an exclusive fund that aims to accelerate women's economic empowerment by providing more affordable, usable and responsive finance than is currently available¹⁰⁸. The reason for the fund, as explained by Deputy Minister Elizabeth Thabethe, was due to the struggles incurred by women in securing loans for their businesses and a need to fill this gap.¹⁰⁹ However, the problems relating to the provision and management of the loans to ensure sustainability of the fund would prove difficult to achieve over time, as will be discussed below. This was due to limited capacity from the public sector, leading to the management of the fund being outsourced to a third party. The fund was to be managed by the Industrial Development Corporation initially, on behalf of the DTI, through a development fund manager.¹¹⁰ Based on interviews conducted for this report, IWF was categorised under a risky asset class. This comprises individuals that have not run or managed a business before.¹¹¹ The DTI was facing challenges that included battling to get a manager in 2009, leaving the IDC to operate the IWF, but its stringent criteria made the fund unsuitable for the IDC. The IDC had a Development

¹⁰⁸ Department of Trade and Industry. (no date). Isivande Women's Fund (IWF)-Women Economic Empowerment Financial Assistance (Incentives). https://www.thedti.gov.za/financial_assistance/financial_incentive.jsp?id=50&subthemeid=2. Accessed: 2019.10.07.

¹⁰⁹ Parliamentary Monitoring Group (2012). SA Women's Entrepreneur's Network (SAWEN): Isivande Women's Fund: briefing by Deputy Minister. <https://pmg.org.za/committee-meeting/14600/>. Accessed: 2019.10.14.

¹¹⁰ Department of Trade and Industry. (no date). Isivande Women's Fund (IWF)-Women Economic Empowerment Financial Assistance (Incentives). https://www.thedti.gov.za/financial_assistance/financial_incentive.jsp?id=50&subthemeid=2. Accessed: 2019.10.07.

¹¹¹ Interview with IDF. 2019.10.16. 12:00-13:00.

Fund Unit that lacked capability to manage the IWF; this was due to the rigour and intensity and daily attention required to manage IWF.¹¹² According to the IDC, the IWF did not fit the profile or type of funding instrument usually managed by the IDC, and therefore became too costly to run given the limited funding involved. It would also appear that the fund posed a potentially negative risk to the market profile, and also possibly the corporate reputation, of the IDC.¹¹³

The Identity Development Fund (IDF) was appointed in 2011 to manage the fund. This came through the IDC's Request for Proposals to Manage a Fund. This information is obtained from the only records from 2011, when the fund was still under the DTI.¹¹⁴ The IDF is a financier of small and medium-sized enterprises (SME), and also supports the creation of self-sustaining black women-owned businesses in South Africa by providing primarily financial, as well as non-financial, support to investee companies.¹¹⁵ In 2011, the IDF signed on for a five-year investment period that was intended to end in 2016.¹¹⁶ According to available programme records, the IWF disbursed new loan funding during the period 2012-2017.¹¹⁷ After this period, the funding was focussed mainly on divestment on existing enterprises, particularly those previously funded from the IWF.

It appears that the funding period was extended a number of times, due mainly to what the IWF says was an analysis of outstanding financial assets - comprising both debt and equity positions - which required further funding interventions. The rationale was, according to information obtained from the fund, that this period of reinvestments would allow the IWF to improve its exit position, and also to improve the impact of its funding interventions by the time it reached its expiration date in July 2019.¹¹⁸

The IDF is responsible for the investment process, as well as for the handover and management of the IWF, among other duties. The screening of beneficiaries was dependent on the mandate of the IWF. The IDF was also responsible for aftercare support.¹¹⁹ Before this period, even with the appointment of the IDF as the fund manager to operate outside of the IDC structures, the fund still rejected a number of applications.¹²⁰ One of the reasons provided was that the risk profile of applicants to the IWF was very high from the onset, with some lacking basic knowledge, such as book and record keeping skills, financial management and the ability to write up a business plan, reports or communication through email, further leading to a decline

¹¹² Ibid.

¹¹³ Ibid.

¹¹⁴ Ibid.

¹¹⁵ Ibid.

¹¹⁶ IDF Capital. 2018. Quarterly Portfolio Report: ISIVANDE Women's Fund.

¹¹⁷ Ibid

¹¹⁸ Ibid

¹¹⁹ Interview with IDF. 2019.10.16. 12:00-13:00.

¹²⁰ Parliamentary Monitoring Group (2012). SA Women's Entrepreneur's Network (SAWEN): Isivande Women's Fund: briefing by Deputy Minister. <https://pmg.org.za/committee-meeting/14600/>. Accessed: 2019.10.14.

in applications.¹²¹ Although previous track records were important for selection, it was not the main driver compared to other factors, such as potential, the ability and desire to learn, together with drive.¹²² As a result of the risky nature of the fund recipients, an amount was ringfenced for funding high risk profile clients.¹²³

3.2.2. Criteria for funding/support

The women-led enterprises have to meet the following criteria:¹²⁴

- The business must have been in operation for at least six months;
- The business requires early stage expansions and growth capital;
- 50% plus one of the shares of the business must be owned and managed by women;
- The business must have potential for growth and commercial sustainability; and,
- The business must show improved social impact in the form of job creation.

3.2.3. Effectiveness of the project

The operation of the IWF can be traced back to 2011 whilst under the DTI, up until it was transferred to the DSBD in 2014; the fund had been active for eight years under the same fund manager.¹²⁵ During its inception, R50 million was budgeted for SME's over a six-year investment period. This was later increased to R 65 million. The IWF has since provided loans to a number of clients who ordinarily struggled to get financial support from traditional funding bodies and institutions.¹²⁶

According to information obtained from interviews with officials from the IWF, funding of between R 30,000 and R 2 million was provided through the IWF.¹²⁷ The value of approved investments as of end-March 2019 stood at R 48,045,735, against a management fee of R 13,090,982.¹²⁸ The IDF was charging 3.5% management fees and 1.5% on divestment.¹²⁹ Loan repayments up to March 2019 were R 20,722,498; repatriations were R 12,450,000; undrawn investment funds were R 3,463,283. The fund had a net asset value of R 18,728,218, with the portfolio's at risk being R 21,632,342,

¹²¹ Interview with IDF. 2019.10.16. 12:00-13:00.

¹²² Ibid.

¹²³ IDF Capital (2018). Quarterly Portfolio Report: ISIVANDE Women's Fund.

¹²⁴ Department of Trade and Industry. (no date). Isivande Women's Fund (IWF)-Women Economic Empowerment Financial Assistance (Incentives). https://www.thedti.gov.za/financial_assistance/financial_incentive.jsp?id=50&subthemeid=2. Accessed: 2019.10.07.

¹²⁵ IDF Capital (2019). Quarterly Portfolio Report: ISIVANDE Women's Fund.

¹²⁶ IDF Capital (2019). Quarterly Portfolio Report: ISIVANDE Women's Fund.

¹²⁷ Interview with IDF. 2019.10.16. 12:00-13:00.

¹²⁸ IDF Capital (2019). Quarterly Portfolio Report: ISIVANDE Women's Fund.

¹²⁹ Ibid.

at 79.64% of the total loan book and impairments at 57.48%.¹³⁰ The total number of companies funded since inception could not be ascertained, as such information was not provided.

Table 4: Key Portfolio Statistics Isivande Women's Fund

Key Portfolio Statistics Since Inception	Isivande Women's Fund (31 March 2019)
• Gross Committed Capital	R65 000 000
• Establishment Cost (once off)	R400 000
• Management fee	R13 090 982
• Approved investments	R48 045 735
• Undrawn Investments	R3 463 283
• Repatriations	R12 450 000
• Loan repayments	R20 722 498
• Net asset value	R18 728 218
• Portfolio at risk	R21 632 342

Source: IDF Capital. 2019. Quarterly Portfolio Report

Further acknowledged in the 2018 IDF Portfolio Report was how the IWF had exposure in eight out of the nine provinces, and how the fund had lost nine cents per Rand that was put into the economy, which includes impairments and write-offs. The IWF's own corporate information claims successes in the area of job creation. For instance, various figures are provided, to substantiate the job creation claims. Since the inception of the IWF under the IDF, 289 (direct) jobs were created, with 269 (direct) jobs maintained, whilst 94 (direct) jobs were lost, 75% of which were direct jobs created in three major provinces - Gauteng (43.3%), Western Cape (23.9%) and North West (11.4%).¹³¹ The graphic below, obtained from the IDF corporate documentation, provides the distribution of the jobs allegedly created, according to province.

¹³⁰ Ibid

¹³¹ Ibid.

Figure 4: Isivande Women's Fund job creation figures



Source: IDF Capital. 2019. Quarterly Portfolio Report: ISIVANDE Women's Fund.

Investments that make up the IWF portfolio through funded companies were exited, as the agreed contractual divestment period was 31 July 2019.¹³² The IWF fund is primarily debt, with a few equity instruments.¹³³ This line of business was quite complex, with a high rate of failure. For example, the information provided by the fund shows that only one company out of a total of sixteen fell within the best performing category as of 31 March 2019; this was only 7% of the total active portfolio.¹³⁴ In terms of the funds invested per company, the poorly performing companies account for 50% of the total monetary value of the active portfolio.¹³⁵

Unlike a number of women empowerment projects that the CGE discovered to have been discontinued following the SNG audit commissioned by the DSBD, the IWF continued to operate right up to 2019. This was through the collection of funds from loan recipient companies or beneficiaries during their divestment phase. The final decision on the IWF was that it should be transferred to Small Enterprise Finance Agency (SEFA), as they might be able to absorb the high management fees. SEFA would also help to consolidate all the small business financial support instruments under one roof.¹³⁶ Out of the assessed and chosen women's economic empowerment programmes from the DSBD, the IWF was the only surviving programme managed externally, although funds were no longer being disbursed as the fund was in a divestment phase, with the last re-investment recorded in 2017.

The issue of capacity was a challenge in the public sector, and the complexity of such a fund meant that the required skill set could not be found in government, and that

¹³² Ibid.

¹³³ Ibid.

¹³⁴ Ibid.

¹³⁵ Ibid.

¹³⁶ SizweNtsalubaGobodo (2016). Programme Review: Key Findings and Recommendations: Presentation to the Portfolio Committee on Small Business Development.

despite recommendation to transfer the fund to SEFA, this has not occurred.¹³⁷ The handover of the IWF from the IDC to SEFA also proved a challenge, because although business continued as usual, with the pursuance of loan repayments, the challenge remained with decision-making at the board level. According to interviews conducted for this report, capacity at SEFA was limited, weakened by the high turn-over of officials responsible for the IWF. This meant that there were always new individuals at the helm who were often unfamiliar with the details of the fund, and having to constantly refer the IDF back to the IDC.¹³⁸

In terms of beneficiaries, it was a challenge to contact several beneficiaries of the fund identified by the IDF because of lack of up-to-date contact details, due to poor record keeping. Also, some of the beneficiaries contacted were not interested in being interviewed on their experiences. In addition to the problem of poor record keeping that clearly characterised this programme, it was also clear that the IDF experienced severe difficulties in managing the recipients of the funds to ensure compliance with the terms and conditions of the funds, particularly with regard to obtaining timely progress reporting, including financial reports, from the beneficiaries, as agreed. Also, it is clear that the problem of failure by recipients to repay their loans was a huge issue for the IDF, including poor communication between the IDF and the recipients of the funds.¹³⁹ Based on available documentation from the IDF, it is clear that the post-investment phase was a particularly severe challenge. It would appear that once the funds had been disbursed, the system for managing recipients' compliance with the terms and conditions of the funding was inadequate. During interviews with officials from the IDF, there were claims that recipients failed to comply with the conditions of the funding, and did as they pleased, ignoring the stringent conditions to be adhered to.¹⁴⁰

For one of the recipients of the fund interviewed for this study, it would appear that the IWF did make a difference. The recipient insisted that prior to the fund being awarded, she struggled for a decade to get financing for a petrol station, with franchising institutions not willing to assist her business as a rural SME enterprise. She insisted that traditional commercial financing institutions regarded her business as a high risk venture.¹⁴¹ Even in this case, where the funding support clearly made a difference in terms of providing vital funding needed to sustain an enterprise that struggled to obtain funding from the commercial markets, the recipient decried the lack of ongoing support and assistance, especially during the period soon after the loan was granted.¹⁴² This is the period when many small scale enterprises are still vulnerable and unstable. It would therefore appear that the lack of ongoing and intense assistance to new businesses soon after

¹³⁷ Interview with IDF. 16 / 10/ 2019. 12:00-13:00.

¹³⁸ Ibid.

¹³⁹ IDF Capital (2019). Quarterly Portfolio Report: ISIVANDE Women's Fund.

¹⁴⁰ Interview with IDF. 2019.10.16.

¹⁴¹ Interview with beneficiary. 2020.01.28.

¹⁴² Ibid.

the grant is provided leads to many of these enterprises relying on the resourcefulness and ingenuity of their owners – a sink or swim scenario. This is one of the key factors that leads to many weak, vulnerable and unstable enterprises collapsing within the first two to three years of their establishment.

For many beneficiaries, including the one mentioned above, it is vital that as soon as funding is granted for a new or vulnerable business enterprise, ongoing and sustained support is provided in the form of training on basic skills, such as drafting a business plan, business communications skills and other vital skills necessary for the survival of a newly established business venture. Although the IDF insisted that such support was provided,¹⁴³ the beneficiary appears to think that this was inadequate.

The problem of a lack of ongoing and sustained assistance and support services for small business enterprises was also raised in Parliament in 2016 by then Minister for Small Business Development, Lindiwe Zulu,¹⁴⁴ who argued that, “emphasis must be placed on easing regulatory burdens, support mechanisms which include: strengthening partnerships with stakeholders; access to finance, improving training and capacity building programmes, market access, and simplifying business registration processes. Direct support interventions focus on specific one-to-one mechanisms to stimulate the creation, sustainability and growth of small enterprise that may not have otherwise occurred”.

Information obtained from IDF Quarterly Reports highlights a business case where the IDF appeared to have provided vital ongoing assistance and support to a company that was facing collapse at the time of the inception of the IWF. Based on this information, the company was unprofitable, technically insolvent and facing possible foreclosure. The IDF claims to have provided support through opening an online marketing facility to diversify its operations.¹⁴⁵ While these are few, and probably non-typical examples, of the experiences of the majority of small scale and vulnerable business enterprises in the mainstream, these anecdotal cases are critical in illustrating the factors that often lead to the collapse of newly established business enterprises within the first few years of their creation, particularly due to lack of support and skills development. Such widespread failures lead to low levels of repayments of loans from government programmes such as the IWF, consequently leading to their unsustainability and discontinuation.

¹⁴³ Mention, however, was made by the IDF officials how training was provided by the IDF in the area of cashflow, financial marketing, corporate governance, legal for businesses experiencing challenges, further mention was made of a Business Support Port offered by the IDC where 20% is used for support purposes through the fund.

¹⁴⁴ Parliamentary Monitoring Group (2016). Department of Small Business Development programme review: briefing by Minister, Deputy Minister & Director General. <https://pmg.org.za/committee-meeting/22074/>. Accessed: 2019.12.12.

¹⁴⁵ IDF Capital (2019). Quarterly Portfolio Report: ISIVANDE Women's Fund

3.2.4. Marketing and information dissemination on the programme

According to officials from the IDF who were interviewed for this report, the DTIED had a radio campaign and an awareness drive for information dissemination on the IWF. The IDF also worked with SEDA as part of the umbrella network on women's economic empowerment, given that it had offices throughout the country and would assist with retrieving or completing application forms in other provinces.¹⁴⁶ In terms of reach, the IDF provided information on the national footprint of the fund where they were active in eight of the nine provinces. The one beneficiary interviewed mentioned how she randomly heard about the IWF from a conversation in a taxi, following disapprovals from many traditional loan providing structures.

It is not clear how effective and comprehensive the information and dissemination strategy adopted by the IWF and IDF was in ensuring that a large proportion of the intended target groups would be reached, as well as those already in the programme. The high levels of failure to comply with the terms and conditions of the loans, including failures to repay the loans, suggests poor programme communication and information dissemination systems.

3.2.5. Challenges experienced by the programme

In its forensic audit report, SNG identified some of the problems relating to the IWF fund, as follows:¹⁴⁷

- The financing provided by the fund is unaffordable for SMMEs, as the terms for financing are not different from those of a conventional corporate funder; and,
- Some of the financing requirements are too stringent for a government development intervention, for example, in some instances, houses were attached due to the failure to repay.

Based on the above, it is clear that some of the terms and conditions of the IWF loan funding were too stringent and possibly contributed to some of the problems relating to the management of recipients to ensure compliance, reporting and repayments of the loan funds. Also, based on these forensic audit findings, it would appear that the fund had adopted the same 'sink or swim' approach usually prevalent among traditional commercial financing institutions, which often lead to high rates of failures among newly established business enterprises.

¹⁴⁶ Interview with IDF. 16 / 10/ 2019.

¹⁴⁷ SizweNtsalubaGobodo (2016). Programme Review: Key Findings and Recommendations: Presentation to the Portfolio Committee on Small Business Development.

According to the IDF officials interviewed for this report, one of the challenges resulting from failure to repay loan funds was the need to pursue litigation, which was quite costly, and also a very harsh option for the beneficiaries who often lost their pensions and retirement funds due to attachment to recoup the loan funds. In other instances, the loans which were not worth pursuing litigation for due to costs had to be written off.

IDF officials interviewed for this study identified further challenges such as beneficiaries experiencing severe cashflow problems, business financing difficulties and legal and other management problems.¹⁴⁸ These informants insisted that the IWF loan funding could be done differently in the future, especially with emphasis on the business readiness of recipients of the fund, particularly initial training on basic but critical business management skills before loan funding was disbursed. Also, one of the vital ingredients appears to be effective communication and correct information dissemination to prospective loan recipients. Informants referred to the lack of effective communication and misinformation for many IWF loan recipients who often laboured under the mistaken perception that the IWF grant was 'free government money' not to be repaid, hence the high rates of repayment failures among the recipients.

3.2.6. Monitoring and evaluation system

In terms of monitoring and evaluation, two committees were established; the Investment Committee and the Advisory Committee. Both comprised two representatives from the IDC, IDF, as well as members from the national departments. Both had advisory chairpersons.¹⁴⁹ Reports would be put out every quarter looking at areas such as performance, position of accounts and the management of accounts. It would also report on legal issues, implementation issues, as well as post-investments issues. This included audited financial statements, impairments and projects in the pipeline. The Investment Committee would lead in cases of disinvestments, or where money was deployed to enhance the quality of the interventions as and where necessary. The Advisory Committee would provide feedback on decisions that needed to be taken in areas such as when beneficiaries were struggling with repayments, litigation, approval of funds and interventions on clients encountering challenges.

¹⁴⁸ Interview with IDF. 2019.10.16.

¹⁴⁹ Ibid.

3.3 TECHNOLOGY FOR WOMEN IN BUSINESS

3.3.1. Brief background

The Technology for Women in Business (TWIB) Programme was introduced in 1998 under the auspices of the Department of Trade and Industry (DTI).¹⁵⁰ According to an official of the DTI, TWIB was in fact a national programme in partnership with the Council for Scientific and Industrial Research (CSIR).¹⁵¹ It focussed on female entrepreneurs who used technology at all levels of business, from micro to macro enterprises, and was run by the DTI's Gender and Women Empowerment Unit, which was set up to ensure that the empowerment of women forms part of the broader mandate of the DTI.¹⁵² However, this position was contradicted in an interview with an official who stated that TWIB was not necessarily run by the DTI, despite having been initiated by the DTI.¹⁵³ The official argued that the DTI did provide, "indirect or limited funding support and encouragement to some of the activities related to the programme".¹⁵⁴ The aim of TWIB was to fast-track business growth through partnerships, education, mentoring and training.¹⁵⁵ The Beijing Declaration and Platform for Action apparently served as one of the guiding documents for the DTI regarding its work on women's economic empowerment.¹⁵⁶ Strategic objective F.3. of the Beijing Platform Declaration and Platform for Action states that business services, training and access to markets, and information and technology, should be provided, particularly to low-income women.¹⁵⁷ However, it is important to note that from the list of beneficiaries provided by the DTI, it could be deduced that TWIB did not necessarily target low income women entrepreneurs or women from disadvantaged areas. Rather, women from various socio-economic backgrounds were welcomed to take part.

As part of the programme, TWIB also held what was known as the TWIB Awards on an annual basis,¹⁵⁸ where women entrepreneurs who used technology in their businesses were recognised and awarded with prizes that included certificates, laptops and money to enhance their businesses. Also part of the overall programme was a sub-programme called TWIB "Techno-girls" Entrepreneurship Programme, which encouraged young girl

¹⁵⁰ DSBD (2016). Programme Review: Key Findings and Recommendations. Presentation to the Portfolio Committee on Small Business Development.

¹⁵¹ Interview with an official of the Department of Trade and Industry, Pretoria, October 2019. See also Brand South Africa, (2003), Technology for women in business, available at <http://www.brandsouth-africa.com/investments-immigration/science-technology/twib>.

¹⁵² Interview with an official of the Department of Trade and Industry, Pretoria, October 2019.

¹⁵³ Interview with an official of the DTI, Pretoria, September 2019.

¹⁵⁴ Ibid.

¹⁵⁵ Brand South Africa (2003), Technology for women in business, available at <http://www.brandsouth-africa.com/investments-immigration/science-technology/twib>

¹⁵⁶ Interview with an official of the DTI, Pretoria, October 2019.

¹⁵⁷ The Beijing Declaration and Platform of Action, 1995.

¹⁵⁸ Interview with an official of the DTI, Pretoria, October 2019

learners to take up Science, Technology, Engineering and Maths (STEM) subjects; and to follow careers in these fields by exposing them to engineering, science, entrepreneurship and technology, as well as providing information on career opportunities and learning programmes.¹⁵⁹ However, due to the changes in government that occurred after the 2014 elections, TWIB was transferred to the DSBD.¹⁶⁰ In a 2015 presentation by the DSBD, the objectives of the programme are presented as follows:¹⁶¹

- Accelerate women's economic empowerment and the development of women-owned enterprises through technology access;
- Facilitate access to information and technology for women's enterprise development;
- Facilitate linkages between women in business and technology service providers;
- Recognise and celebrate the successes of women in the various technology business sectors;
- Identify and encourage young women and girl learners to pursue technology-based entrepreneurship through the TWIB Techno-girls Entrepreneurship Programme; and,
- Expose South African Women entrepreneurs to international trends in science and technology.

3.3.2. Criteria for funding/support

In order to be part of the TWIB Programme, beneficiaries had to “demonstrate diffusion of technology in a profit-making enterprise”.¹⁶² This criterion shows that TWIB did not necessarily assist women with starting up businesses, as it clearly targeted women who were already running businesses which were functioning effectively. Applicants' enterprises or cooperatives also had to abide by other criteria:¹⁶³

- They had to be owned by a South African;
- 51% of the cooperative needed to be owned by women;
- They had to be a profit-making enterprise; and,
- They had to be existing and operating for three years.

¹⁵⁹ Ibid.

¹⁶⁰ Ibid.

¹⁶¹ The Department of Small Business Development (2015), Presentation: TWIB Call for Nominations. 2015.

¹⁶² The Department of Small Business. Presentation (2015), TWIB Call for Nominations.

¹⁶³ Ibid.

Clearly, the target group for this programme would be women already engaged in functionally operating business ventures, where such support would enhance existing business and entrepreneurial operations.

3.3.3. Effectiveness of the project

The beneficiaries who were interviewed for this report were largely of the view that the programme was helpful.¹⁶⁴ However, none of them could attribute what they perceived as their success solely to the programme. In fact, most of the beneficiaries indicated that the programme fell short in terms of providing them with support relating to building effective business partnerships, education, mentoring and training. Some beneficiaries did acknowledge that they are still in contact with other businesswomen they met through the programme, and are able to consult and assist each other with business related challenges.

What has emerged clearly from talking to the beneficiaries though is that the programme had become centered around and focused on the TWIB Awards. One beneficiary argued that the main focus of TWIB was its award programme. She indicated that after winning the TWIB Award herself, not only did she become one of the judges for the award, but that participating in the award opened learning opportunities for her. She indicated that she learned skills such as how to read business finance and how to identify businesses that were involved in fronting practices. In a written response to questions posed by this report, an official of the DSBD confirmed that even though there was a need for developmental programmes as part of TWIB, the main focus had become the provision of awards.¹⁶⁵

It would seem therefore that TWIB risked deviating from its central objectives of accelerating business growth through partnerships, education, mentoring and training. Some beneficiaries interviewed did however indicate that the TWIB Award ceremony provided them with an opportunity to meet and interact with inspirational businesswomen, and this made them gain confidence in themselves. One beneficiary further shared how attending the award ceremonies changed her perspective on her own entrepreneurial capabilities, and enabled her to grow her business, later selling it to her employees and moving onto other passions, even though she did not have a Matric Certificate. Another beneficiary credited the prize money she won from the TWIB Awards as the reason she was able to acquire office space which was more suitable than running her business from her garage.¹⁶⁶

¹⁶⁴ Interviews with TWIB beneficiaries. January 2020.

¹⁶⁵ Written response from an official of the DSBD. November 2019.

¹⁶⁶ Interview with a TWIB beneficiary. January 2020.

The SNG audit that resulted in the demise of some of the programmes directed to women's economic empowerment noted that, "the funds and time spent on the TWIB Programme were not commensurate with the impact that the programme achieved".¹⁶⁷ The presentation on the SNG Report further recommended that, "the TWIB Awards element of the programme should be discontinued, and the technology support aspect be transferred to SEDA and be implemented through the SEDA Technology Programme." The discontinuation took place in 2015.¹⁶⁸ However, in an interview with officials at SEDA, it was revealed that SEDA only provided office space for officials of the DTI who worked on various programmes, including TWIB.¹⁶⁹ The 2018/2019 SEDA Annual Report does however point to a greater involvement with TWIB, by confirming that the technology-related activities of TWIB were already incorporated within SEDA Technology Programme in 2008.¹⁷⁰

3.3.4. Marketing and information dissemination on the programme

Interviews with beneficiaries of TWIB revealed that the programme was made known to them through presentations at conferences and workshops, recommendations by government agencies such as SEDA, and through interactions in other projects such as SAWEN.¹⁷¹ This corresponds with what an official of the DSBD stated in a written response, saying that "every year there was a call that was sent out for the beneficiaries to apply, the call was advertised in newspapers, SEDA and DTI websites, as well as through our stakeholders, like SAWEN and [Department of] Provincial Economic Development."¹⁷² Other than calls for applications for the programme, it is not clear how the programme communicated with, and disseminated vital programme information to, beneficiaries on a regular basis, especially on various aspects of the programme, and on the obligations of the beneficiaries to meet its terms and conditions.

3.3.5. Challenges experienced by the programme

As indicated, the key challenge of this programme was the gradual drift towards a focus on the TWIB Awards programme, which appeared to indicate that it was shifting from its central programme objectives related to empowering the recipients, towards an award programme which focussed on winning prize money. While the lure, accolades and financial benefits of winning the Award are obvious and unmistakable, the drift from the central objectives of the programme should be an area of concern for policy

¹⁶⁷ DSBD (2016), The Department of Small Business Development. Programme Review: Key Findings and Recommendations. Presentation to the Portfolio Committee on Small Business Development.

¹⁶⁸ DSBD (2016), The Department of Small Business Development. Programme Review: Key Findings and Recommendations. Presentation to the Portfolio Committee on Small Business Development.

¹⁶⁹ Interview with officials of SEDA, Pretoria, October 2019.

¹⁷⁰ Small Enterprise Development Agency (2019), Annual Report 2018/2019.

¹⁷¹ Interview with a TWIB beneficiary. January 2020.

¹⁷² Written response from an official of the DSBD. November 2019.

makers. Some beneficiaries identified as a common challenge for the programme the fact that after winning a TWIB Award, the process of disbursing the prize money was very slow, often taking up to two years.¹⁷³

3.3.6. Monitoring and evaluation system

In terms of monitoring and evaluation, an official of the DSBD, and another official from the DTI, stated that this was never done.¹⁷⁴ Suffice to say that this was a major weakness for the programme, because it means that the performance of the programme was never assessed. Therefore, the management of its outputs, outcomes and impact could not be improved.¹⁷⁵

Furthermore, the presentation on the SNG Report mentioned that, “there were no follow-ups with participants to track their progress; only one enterprise, the award winner, benefitted from the programme per year.”¹⁷⁶ Some beneficiaries also confirmed during interviews that there were no follow-up efforts carried out by the department.¹⁷⁷ However, documents received from DSBD appear to contradict this, arguing instead that three enterprises benefitted from the programme each year.¹⁷⁸ However, these referred to the three categories of winners of the Award - the 1st, 2nd and 3rd prize winners - with prize monies ranging from R 200,000 to R 600,000.

3.4 THE SOUTH AFRICAN WOMEN ENTREPRENEURS’ NETWORK

3.4.1. Brief Background

The DTI identified and adopted the South African Women Entrepreneurs’ Network (SAWEN) to fast-track support provided to women in addressing challenges faced when establishing, strengthening and sustaining their enterprises.¹⁷⁹ SAWEN was established in 2002. During the SNG audit, SAWEN had 903 members.¹⁸⁰ SAWEN was a membership-

¹⁷³ Interviews with TWIB beneficiaries. January 2020.

¹⁷⁴ Written response from an official of the DSBD. November 2019.

¹⁷⁵ Interview with an official of the DTI, Pretoria, October 2019.

¹⁷⁶ Ibid.

¹⁷⁷ Interviews with TWIB beneficiaries. January 2020.

¹⁷⁸ The Department of Trade and Industry/ The Department of Small Business Development. TWIB winners 2012/2014/2015.

¹⁷⁹ Department of Trade and Industry, Economic empowerment. Accessed: 2020.01.29. http://www.dti.gov.za/economic_empowerment/women_empowerment_programmes.jsp

¹⁸⁰ SizweNtsalubaGobodo (2016), Programme Review: Key Findings and Recommendations: Presentation to the Portfolio Committee on Small Business Development

based Section 21 Company¹⁸¹ registered under the DTI. Its previous fund manager was Khula Enterprise Finance Limited, which was later replaced by the Small Enterprise Finance Agency (SEFA) for the period 2005 - 2010.¹⁸² SAWEN's objective was mainly to assist women who wished to grow their enterprise by referring them to partners such as SEDA and the South African Revenue Services (SARS).¹⁸³ In addition, SAWEN supported women by addressing problems that impeded their enterprises.¹⁸⁴ However, its core mandate was centred on connecting women in business via networking.¹⁸⁵

As a membership organisation, its mandate is to represent and articulate the aspirations of all women entrepreneurs who operate within the South African SMME sector. Support services under the banner of the SAWEN programme include:

- Effective network forums;
- Training and capacity-building programmes;
- The provision of pertinent business information and advice that leads to business opportunities;
- Facilitating trade missions and exposure to the global economy; and,
- Maintaining a reliable database of South African women entrepreneurs.¹⁸⁶

3.4.2. Criteria for funding/support

SAWEN did not offer any financial support to its beneficiaries. SAWEN's mandate was mostly about connecting women in business via networking, and referring beneficiaries to financial institutions that might help them should they require financial assistance. SAWEN offered its beneficiaries information and advice on procedures to be followed when prospective beneficiaries wish to apply for financial assistance. It is important to state that there was no working relationship between SAWEN and the financial institutions whom the beneficiaries were referred to.

¹⁸¹ A company established in terms of Section 21 of the Companies Act 61 of 1973.

¹⁸² Parliamentary Monitoring Group (2015), SAWEN on objectives and programmes. Industrial Development Corporation briefing on Isivande Women's Fund. Small Business Development Meeting Summary. Available online: <https://pmg.org.za/committee-meeting/20837>, Accessed:2020.01.07.

¹⁸³ Ibid.

¹⁸⁴ International Women's Conference. 2017. Women in the Changing World of Work. Parliament of the Republic of South Africa. Cape Town: (29 - 30 August 2017). Available online: <https://www.parliament.gov.za/project-event-details/20>, Accessed: 2020.01.07.

¹⁸⁵ Molefe, P.G. (2017). The South African Women Entrepreneurship Network (SAWEN) Programme in the Free State: A Capability Approach.

¹⁸⁶ Department of Trade and Industry, Economic empowerment. http://www.dti.gov.za/economic_empowerment/women_empowerment_programmes.jsp Accessed on: 2020.01.29.

3.4.3 Effectiveness of the project

Upon taking up membership of SAWEN, both new and old members had to nominate a provincial committee comprising a chairperson to represent them and drive the SAWEN agenda in the province.¹⁸⁷ Among the chairperson's duties was the need to build effective working relationships with local municipalities in the province. In pursuit of her task, the chairperson worked closely with the provincial coordinator responsible for the province. Together they worked on establishing working relationships with various local municipalities in the province. However, this task fell squarely on the chairperson's shoulders, as she resides in that particular province. This was aimed at ensuring that municipalities have women businesses on their database for consideration for available business opportunities.¹⁸⁸

Based on information received from participants, SAWEN was designed to empower SMMEs through skills development and training.¹⁸⁹ The vast majority of participants stated that they could still see and feel the impact that SAWEN had on their businesses as they grew from strength to strength. All beneficiaries stated that it was vital for them to acquire more entrepreneurial skills to benefit their businesses, from information received through to skills development courses attended. Women also hailed the programme for establishing networks among women-owned businesses across South Africa and beyond. There was an indication that this was useful because beneficiaries could learn from each other's experiences.¹⁹⁰ Being part of SAWEN also presented them with an opportunity to go abroad to network with other female entrepreneurs, be exposed to other business ideas, and learn new ways of doing business.¹⁹¹

With regard to access to infrastructure and credit, the programme does not seem to have yielded significant benefits in terms of what was intended, particularly in terms of access to high-quality financial services for the beneficiaries. It would appear that being a SAWEN beneficiary did not significantly improve access to financial institutions by women black owned SMMEs.¹⁹² A report by Parliamentary Monitoring Group in 2015 pointed out that although claims were made that SAWEN networked its members with financial institutions to assist with funding, in reality, SAWEN only identified available opportunities, such as loan applications, and left the rest of the process for its members to carry out without assistance or intervention.¹⁹³ This implies that SAWEN was not directly providing financial assistance to its members, but instead referred its members

¹⁸⁷ Ibid.

¹⁸⁸ Ibid.

¹⁸⁹ Ibid.

¹⁹⁰ Interview held with SAWEN beneficiary, January 2020.

¹⁹¹ Interview held with SAWEN beneficiary, January 2020.

¹⁹² Interview held with SAWENA beneficiary, January 2020.

¹⁹³ Parliamentary Monitoring Group (PMG), 2015. SAWEN on objectives and programmes. Industrial Development Corporation briefing on Isivande Women's Fund. Small Business Development Meeting Summary. Cape Town. Available online: <https://pmg.org.za/committee-meeting/20837>, Accessed: 2020.01.07.

to other financial institutions for assistance.¹⁹⁴ The participants who were willing to be interviewed argued that the SEDA under the DTI could not assist financially to grow their businesses.¹⁹⁵ Some of the beneficiaries interviewed for this study insisted that the SEDA lending methods and requirements were not too dissimilar to those of other traditional financial institutions such as the banks, and that such lending practices are discriminatory against women-owned businesses.¹⁹⁶ The seven beneficiaries that were available for interviews during this study were nonetheless largely satisfied with the services rendered by SAWEN, and were likely to attribute to government any problems identified, particularly what they regarded as administrative favouritism or maladministration by DTI officials.

SAWEN was eventually discontinued by the DSBD based on the recommendations of the SNG forensic audit report, to the dismay of many of its members. This led to an unsuccessful public campaign and petition through Facebook in an attempt to mobilise public support to keep SAWEN operating.

The SNG report¹⁹⁷ identified the following reasons as to why SAWEN should be discontinued:

- SAWEN has a limited footprint, and not all provinces were represented on the network; and,
- SAWEN's programmes do not have a measurable impact, and there is no indication whether SAWEN's programmes are contributing to achieving the department's mandate.

Recommendations contained in the SNG forensic audit report¹⁹⁸ had called for the discontinuation of SAWEN's financial support on the basis that the programme had not received substantial returns on its investment. The SNG report had recommended either a review and integration of SAWEN into existing women's economic empowerment programmes, or a discontinuation on the basis that no value was being derived from the programme. The report hinted at retention of the programme only on condition that it was reviewed, strengthened and turned into an autonomous agency. However, the department opted to discontinue the programme.

¹⁹⁴ Ibid.

¹⁹⁵ Interview held with SAWEN beneficiary, January 2020.

¹⁹⁶ Ibid.

¹⁹⁷ SizweNtsalubaGobodo (2016). Programme Review: Key Findings and Recommendations: Presentation to the Portfolio Committee on Small Business Development.

¹⁹⁸ Ibid.

3.4.4. Marketing and information dissemination on the programme

Government officials interviewed indicated that there were two methods used by DTI to recruit women to be part of SAWEN. Either the department used the provincial data it had to identify beneficiaries, or it embarked on what was known as a SAWEN drive. The purpose of the drive was to inform, educate and recruit new members to join the programme.¹⁹⁹ When joining SAWEN, a once-off affiliation fee of R 600 was required from all new members.²⁰⁰

3.4.5. Challenges experienced by the programme

One of the challenges that SAWEN was faced with was a lack of funding. Although some of these businesses were already up and running at the time, they joined the programme and received support, some of them required funding to grow and improve the efficiency of business operations. Another challenge cited by many of the members of SAWEN was the alleged favouritism perceived to characterise programme coordinators. It was alleged that programme coordinators favoured certain members over others, including what was perceived as the unfair and biased allocation of available business opportunities. Of course, such claims could not be verified and no evidence was made available to substantiate them.

3.4.6. Monitoring and evaluation system

Interviewed beneficiaries indicated that there were no monitoring and evaluation systems in place during the program. However, some beneficiaries stated that there was a monthly mentorship programme where business experts would visit to check on the progress of their businesses. During these visits, the business experts would complete certain forms as they were in conversation with business owners. Other than that exercise, there was nothing else that SAWEN did in terms of monitoring and evaluating its programme.

¹⁹⁹ Interview held with the DTI official, Held in Pretoria, South Africa, October 2019.

²⁰⁰ Interview held with SAWEN beneficiaries [Interviews were done telephonically], January 2020.

3.5 SEDA-WOMEN ENTERPRISE COACHING PROGRAMME

3.5.1. Brief background

The Women Enterprise Coaching Programme (WECP) was established during the 2012/2013 financial year and is housed under the SEDA, which is an agency of the DSBD. The legislation governing the operations of SEDA are the National Small Business Act,²⁰¹ the B-BBEE Act,²⁰² and the Skills Development Act.²⁰³ It is also aligned with the New Growth Path, as well as the National Development Plan. The WECP was launched following research that outlined specific challenges faced by women-owned businesses in South Africa. The programme is centered around coaching and mentoring. This is stated in the programme brochure as, “a development process in which an individual is supported while achieving a specific personal and professional competence”.²⁰⁴ The objectives of the program are outlined as follows:

- To develop and enhance management competencies of owners and business managers by creating an environment conducive for the establishment of networks, sharing of experiences and exchange of information; and,
- To provide women-owned enterprise with knowledge, skills and tools needed to grow their business, guide them through operations, hand holding through strategic processes and gain resources necessary to facilitate their business growth.

3.5.2. Criteria for funding/support

According to officials, the programme is run over a two year period with ten coaching sessions across five provinces. SEDA appoints a coach from the selected region and jointly begins the recruitment process. Once selection has occurred, a baseline assessment of each participating business takes place followed by an orientation day and a two-day strategy meeting. This meeting is a joint effort by stakeholders in selecting topics that would be part of the ten coaching sessions. Sessions then take place over the said period, followed by an exit assessment and graduation ceremony. The selected women-owned businesses are required to have been operational for at least two years, should not be a subsidiary of another company, must employ at least five people, and must have a minimum turnover of R 1 million, as part of some of the

²⁰¹ The National *Small Enterprise Act* 102 of 1996

²⁰² Broad-based Black Economic Empowerment Act 53 of 2003

²⁰³ Skills Development Act [No. 97 of 1998]

²⁰⁴ Small Enterprise Development Agency (SEDA), Women Enterprise Coaching Programme (WECP) brochure. Available at <http://www.seda.org.za/Publications/Publications/Women%20Enterprise%20Coaching%20Programme.pdf>

criteria for qualification. The programme also requires the participating women to be directly involved in the day-to-day activities of the business.

Four women from various cohorts and provinces participated in telephonic interviews for this study as well as three SEDA officials, including a program manager. Following interviews with the SEDA officials, communication became limited and officials became less forthcoming with programme related information. Available information obtained from the programme information online seems to provide a mixed picture regarding the recruitment of beneficiaries for the programme.

3.5.3. Effectiveness of the project

The programme itself, in particular the relevant coaching sessions, were heralded as incredibly empowering and useful.²⁰⁵ Part of this was because they had decided what would be useful for their specific cohort and what their needs were at the time of their participation in the programme. The collective decision making on what their time would be spent on was useful in that direct and specific issues were covered over that period. One participant commended the programme and stated that, although she had owned and ran a business for a long time, the programme had helped her learn to improve her business operations and human resources facilities on site. Moreover, she was delighted to share space with women in business from diverse social and educational backgrounds.

The beneficiaries also stated that the businesses within each cohort were from different sectors, which meant that the group was versatile, yielding different learning experiences from the programme and each other. Furthermore, a network was created even once the programme had ended that indicated the longevity of the business relationships established based on the programme.²⁰⁶ This is reflected in a study by Nambiar, Sutherland and Scheepers. Their study of the informal sector highlights the importance of community and camaraderie in the collectives of women in business.²⁰⁷ According to the beneficiaries interviewed for this study, the WECP was a shared space that provided similar experiences for its beneficiaries, including educating them about their businesses.

While the minimum length required for the businesses to be operational was two years, some participants indicated that their businesses had been operating for much longer periods, while others were fairly new. This meant that there were varying levels of expertise among the beneficiaries based on time spent owning and running a business.

²⁰⁵ Interview held with a WECP beneficiary, Interviews were done telephonically, January 2020.

²⁰⁶ Ibid.

²⁰⁷ Nambiar, Y., Sutherland, M., & Scheepers, C. B. (2019). The stakeholder ecosystem of women entrepreneurs in South African townships. *Development Southern Africa*, 1-17.

There was an indication that this was useful because beneficiaries could learn from each other's experiences, and learn about new aspects.²⁰⁸ This also proved to be a challenge, as the coaching sessions were not always pitched at the appropriate level. Some beneficiaries also highlighted their participation in the programme was short-lived. While the coaching was useful at the time of their engagement, the access to education proved to be a huge challenge thereafter. One participant indicated that she did not recall any of the topics covered over the period and did not find the programme as necessarily beneficial over an extended period as support following this was limited.

Overall, the programme proved to have provided important coaching lessons for the women who participated, and benefited their businesses greatly. Most beneficiaries interviewed indicated that they would highly recommend the program because of the content of the sessions and the network created with those within their cohort. There was also an indication that having taken part in the programme generally improved the business profiles of the participants and served as an indicator of the willingness of the owners to grow their businesses by networking with other organisations and institutions. The programme was celebrated by the beneficiaries who appeared to appreciate the lessons and skills acquired through it.

3.5.4. Marketing and information dissemination on the programme

Some beneficiaries indicated that they were invited by SEDA officials to participate in the programme,²⁰⁹ while online sources referred to calls for applications to the programme. The entry process or access to the programme appears, therefore, to be inconsistent. While the online brochure on the SEDA website clearly outlines the objectives, benefits and criteria for participation in the programme, the beneficiaries insisted that the information contained in the programme brochure was inadequate, and not widely available.²¹⁰ Similar issues were raised in a 2010 study which found that SEDA did not meet the needs of black women business owners in terms of availability and dissemination of information related to its training programmes.²¹¹

3.5.5 Challenges experienced by the programme

While the programme did not provide or demand any financial contribution, it proved to be challenging in terms of access and the organising of the respective sessions. As

²⁰⁸ Interview held with a WECP beneficiary, Interviews were done telephonically, January 2020.

²⁰⁹ Interview held with a WECP beneficiary, Interviews were done telephonically, January 2020.

²¹⁰ Ibid

²¹¹ Chiloane, G. E., & Mayhew, W. (2010). Difficulties encountered by black women entrepreneurs in accessing training from the Small Enterprise Development Agency in South Africa. *Gender and Behaviour*, 8(1), 2590-2602.

the businesses were not on the same level, it was financially challenging for some to attend meetings due to the lack of support in that regard. Furthermore, it was difficult to gain collective consensus with the cohort on times and venues for the coaching sessions, as participants had varying schedules and were running their businesses on a daily basis. The lack of agreement on the operations of the sessions meant that selected beneficiaries did not reap the full rewards of what the coaching sessions had to offer. Interrupted learning or the absence of any learning has proven to be a challenge for women-owned businesses, and WECP proved to be no different.²¹²

3.5.6 Monitoring and evaluation system

Based on information obtained from the officials and beneficiaries of the programme, differences and, in some instances, contradictions were obvious regarding the monitoring and evaluation practices relating to this programme. Some of the beneficiaries indicated that there were no monitoring processes during the implementation of the programme. Some pointed to the fact that SEDA officials attended some of the coaching sessions, yet they were not required to submit progress reports on their own experiences of the programme. Also, WECP personnel did not require updates and feedback on their participation in the program and their attendance to sessions was all that was required. One beneficiary argued that this lack of programme monitoring led to some of the participants being inconsistent in their attendance and participation in the programme, while others dropped out completely. SEDA officials highlighted, however, that there was an exit assessment process in place to measure the impact of the coaching programme. Based on what officials said, the assessment focussed on the number of shops opened since the programme, the growth turn-over during that period as well as the net profits of the businesses. The officials also argued that they measured the confidence of candidates, the efficiency of their business operations, improved management skills and legislative compliance.

Most beneficiaries made no mention of this assessment, while SEDA and WECP officials provided no supporting evidence for the assessments carried out, despite requests to this effect. One participant did point to a verbal assessment of their experience, including a questionnaire.²¹³ SEDA Annual Reports that indicate "success stories" of women-owned businesses that participated in the programme refer to increased staff numbers, higher turnovers, more shops opened and greater net profits. However, interviews indicated that although this may have been the case, it could not be directly attributed to the WECP.

²¹² Melton, D., Benting, S., Beyer, G., & Venables, J. (2019), Women Entrepreneurs in Cape Town, South Africa: Challenges and Opportunities. In *ICGR 2019 2nd International Conference on Gender Research* (p. 392). Academic Conferences and publishing limited.

²¹³ Interview held with a WECP beneficiary, Interviews were done telephonically, January 2020.

Be that as it may, the SEDA monitoring and reporting mechanisms on the programme appeared weak. WECP officials provided data that made seemingly unrealistic success claims. For instance, the figures provided showed coaching sessions provided for 71 women, who in turn created 1,281 jobs and increased their turnover by 148% in 2016; coaching for 119 women, leading to 609 jobs created and an 80% increased turnover in 2017; and in 2018, 125 women coached, who in turn created 309 jobs and an 81% increase in turnover. Besides these figures, no other data were supplied, with officials insisting that no data had been collected since the beginning of the programme in 2012/2013. These figures could not be substantiated by the officials, possibly due to poor programme record keeping.

4. OVERVIEW AND DISCUSSION OF KEY ISSUES FROM THE FINDINGS

The findings presented in this report raised a number of issues of importance regarding government's efforts aimed at the economic empowerment of women in South Africa. This section seeks to identify and discuss some of these issues, including highlighting some of the policy implications.

Firstly, the problem of defining women's economic empowerment as a policy goal in government appears less complex than it really is. A review of a number of government documents, including relevant legislation, appears to skirt the need for a clear and concise definition of women's economic empowerment. Only one document, the DTI's 2011 Status Quo Report, contained a clear and concise explanation of what women's economic empowerment entails. It was therefore assumed in this report that the DTI's view of economic empowerment would be widely adopted by other institutions, particularly those departments such as the DSBD that were actively pursuing and implementing women's empowerment initiatives. However, based on interviews conducted with a number of officials from both the DTI and the DSBD, including information obtained from departmental documental reports and websites, it was clear that there was lack of coherence and consistency about what women's economic empowerment entails, from a policy and practice perspective. The implications of this for policy makers is that a lack of clarity, coherence and consistency in the approaches of key government departments leads to, or creates an impression of, a lack of policy coherence in government regarding the application of the principle and practice of economic empowerment for women. As a result of this, government departmental initiatives aimed at women's economic empowerment are poorly conceived and implemented.

Secondly, the lack of policy clarity and coherence in the application of the principle of women's economic empowerment, which characterised the programmes that were initially pursued by the DTI and subsequently by the DSBD, was evident in some of the practical difficulties experienced in the implementation of the programmes examined in this report. For instance, while significant financial resources were disbursed by the two departments in the form of loan financing to the programme beneficiaries - including spending on related initiatives such as coaching, business skills development sessions, distribution of sewing machines, financing of beneficiary participation in local and international business conferences, expos and shows - such investments often appeared haphazard and inconsistent across the different programmes and geographical areas, thus failing to achieve the systemic and sectoral impact sought by these programmes.

Thirdly, the lack of policy clarity on what the application of the principle of women's economic empowerment entailed in practice was evident in the lack clear linkages between the individual programmes and the broader strategic policy focus, not only of the DTI and DSBD, but also across the government's broader strategic policy objectives on women's economic empowerment. This is clearly illustrated in the findings and recommendations contained in the forensic audit report compiled by SizweNtsalubaGobodo, which repeatedly pointed out to the failure of the programmes to derive value for the departments in terms of returns on investment, as well as failure to contribute towards the policy objectives of the departments. It is no wonder therefore that the DSBD acquiesced readily rather than attempting to mount any defence of these programmes from a broader strategic policy perspective when the forensic audit report recommended their wholesale discontinuation. Instead, the then Deputy Minister Elizabeth Thabethe was quoted - in defence of the DSBD's decision to discontinue the programmes - as saying:

"The Department was already implementing the recommendations by the consultants. The views of the consultants are very dominant in government and in some situations, they get implemented without being processed..."²¹⁴

Fourthly, and related to the issues raised above, many of the programmes were clearly characterised by varying degrees of poor administrative management, poor record keeping, poor information dissemination and a lack of effective coordination from a central or departmental perspective. More importantly, these women's economic empowerment initiatives were usually not accompanied by ongoing, sustained and coherent support services for the beneficiaries, especially the business entrepreneurs, in the early and therefore vulnerable stages of their businesses. Even the definition and application of beneficiary selection criteria were, in many instances, seen as problematic, in that the criteria were often seen to be as stringent as those used by traditional commercial loan financing institutions and banks.

These challenges resulted in a variety of practical problems, such as poor relations with the beneficiaries, and a lack of beneficiary understanding of the terms and conditions of their loans or financing agreements, leading to poor levels of compliance with reporting and loan repayments requirements, as well as significant rates of defaulting and collapse of some of the business enterprises; leading to the failure of these initiatives to meet stated objectives.

Finally, a significant lack of departmental human resource capacity - if not programme management skills - that characterised the implementation of these programmes, in some cases, led to a number of key strategic problems such as drifting away from the central stated programme objectives as illustrated by the following examples: the

²¹⁴ Parliamentary Monitoring Group (2016). Department of Small Business Development programme review: briefing by Minister, Deputy Minister & Director General <https://pmg.org.za/committee-meeting/22074/> Accessed: 2019.07.26.

TWIB programme increasingly focussed on the TWIB Award; failure to put in place clear monitoring and evaluations systems; and failure to define key indicators of programme success in order to determine objectively when and how programme objectives had been achieved. As a result, there was a tendency by the two departments to single out and highlight a number of individual so-called 'success stories' from some of the programmes in the absence of systemic programmatic successes.

5. CONCLUSIONS AND RECOMMENDATIONS

5.1 CONCLUSIONS

Based on the presentation, discussion and analysis of the findings in this report, the CGE has drawn several conclusions, listed in this section. Firstly, while it is clear that the government, through departments such as DTI and DSBD, does have a policy of promoting and supporting women's economic empowerment in South Africa, we conclude that the policy is not supported by a clear and widely understood definition of what women's economic empowerment is, and what it would entail in terms of practical and impactful programmes. While the DTI had adopted a specific definition of what women's economic empowerment entails, this was not widely understood among officials from both the DTI and the DSBD.

Secondly, it is concluded that while significant financial and other resources were expended in departmental attempts to promote and support women's economic empowerment through specific departmental initiatives, the often haphazard and inconsistent nature of the implementation processes of these programmes hampered the prospects of achieving some of the stated objectives of these programmes or significant sectoral or systemic impact.

Thirdly, the CGE concludes that in principle, the women's economic empowerment programmes assessed in this study had clearly defined and commendable objectives, while their failure was largely due to a lack of ongoing and effective post-loan support services, especially during the early stages (the first two/three years) of existence, when the majority of business enterprises are extremely vulnerable to collapse due to a lack of vital business management skills, experience and expertise among the owners.

Fourthly, we conclude that while the individual women's economic empowerment support initiatives implemented by the two departments had clearly defined objectives on paper, in practice these programme objectives were not clearly articulated and linked to the broader strategic policy goals of government's policy on women's economic empowerment. This rendered the programmes vulnerable to short term departmental internal challenges, such as lack of capacity, poor administrative support and the lack of effective coordination, and therefore, failure to derive value from the resources invested in these programmes. Hence the ease with which these programmes were discontinued.

5.2 RECOMMENDATIONS

- The CGE recommends that government's policy on women's economic empowerment be clearly articulated through public policy documents of key ministries such as the DTI and DSBD. Once such clarity has been created through official policy documents, government officials, administrative and political leaders should articulate and popularise such policies through public statements and direct engagements between government and key stakeholders in the business sector;
- It is recommended that such policy clarification should entail a clear policy definition of what women's economic empowerment means in terms of policy and practice, accompanied by clear policy objectives which government seeks to achieve, and clear targets, time frames and clearly defined indicators of success;
- We recommend that government's economic empowerment initiatives be accompanied by effective public information dissemination programmes and initiatives targeting specific intended beneficiaries, particularly women in disadvantaged rural and urban socio-economic groups for whom such programmes would have significant positive economic consequences. Such information dissemination should focus not only on providing vital information critical for the running of new business enterprises, but also to ensure clear understanding of the terms and conditions of the loan financing agreements, as well as the obligations of the entrepreneurs to honour and comply with such terms and conditions;
- It is vital that, once loan financing agreements have been signed, and prior to the disbursement of funds, government departments provide intensive initial training for the new entrepreneurs, focusing on basic but critical business management skills, including putting in place effective information dissemination on the terms and conditions of the loan agreements to minimise confusion and failure of compliance by the beneficiaries;
- Once initial skills training has been provided and loans disbursed to the new beneficiaries, the CGE recommends that ongoing, consistent, sustained and effective support be provided to the loan recipients, particularly during the first two to three years of existence, to significantly improve prospects of success. As part of this support, regular and effective monitoring and evaluation systems should be put in place to monitor the progress of the new entrepreneurs



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