

Uganda and Botswana have highest rates of female entrepreneurship

Mastercard has released the results of its inaugural Index of Women Entrepreneurs (MIWE), which indicates that South African women's full potential as entrepreneurs is yet to be unleashed. Uganda (34.8%) and Botswana (34.6%) rank first and second in the world with the highest percentages of women entrepreneurs, driven mostly by necessity as opposed to being inspired by business opportunities.



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The index uses three components, made up of 12 indicators and 25 sub-indicators, to look at how 54 economies, representing 78.6% of the world's female labour force, differ in terms of the level of Women's Advancement Outcomes, Knowledge Assets & Financial Access and Supporting Entrepreneurial Factors. The survey was run across Asia Pacific, Middle East & Africa, North America, Latin America and Europe.

Other developing countries, such as Russia, Bangladesh, China and Vietnam are also in the top 10. New Zealand (third) and Australia (fifth) are the developed countries with highest rates of female business owners.

South Africa not high enough

South Africa ranks 21st (64.4) on the Index, which tracks female entrepreneurs' ability to capitalise on opportunities granted through various supporting conditions within their local environments. Despite a healthy MIWE score, women account for only 19.1% of business owners in South Africa (rank 44), indicating that women's progress in entrepreneurship has been disappointingly low compared to its global counterparts.

"South Africa's resourceful women are one of its biggest assets, yet it is evident that South African women's full potential and value as entrepreneurs and business owners is yet to be unleashed," says Mark Elliott, division president, Mastercard South Africa. "We must accelerate our efforts to dismantle the structural obstacles and biases that impede female entrepreneurship so that women can play an enlarged role in South Africa's economic growth story."

Looking at the Indices' three components, South Africa has an average Women's Advancement Outcome score of 52.7 (rank 27), indicating that women's progress and degree of marginalisation economically and professionally as business leaders, professionals, entrepreneurs and labour force participants is on par with its global counterparts.

Gender inequality towards women remains in the workplace, particularly in the areas of leadership, with three women business leaders for every 10 business leaders. This is mirrored by a low labour force participation rate, with only 46.3% of women compared to 60.6% for men in South Africa's workforce, and a low rate of women's entrepreneurial activity, with only seven% of working age women in the labour force engaged in early-stage entrepreneurial activities compared to 11.6% for men.



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The research shows that women in South Africa excel in the Knowledge Assets & Financial Access Component (81.9, rank 3), which gauges women's progress and degree of marginalisation as financial customers and academically in terms of tertiary education enrollment. Not only are they as well-educated as their male counterparts in tertiary education, they have good access to financial services, and Small Medium Enterprise (SME) support.

Despite this, women's progress and growth in the business world has been severely undermined by a low perception of business opportunities and poor self-confidence, which are further compounded by a high level of business discontinuance, effectively feeding the already high fear of failure.

"We observe that indicators such as SME support and financial inclusion are important in supporting women's entrepreneurship in South Africa, but are not necessarily the drivers of women's advancement as business owners. An accelerated and concerted focus on improving business skills, funding and business opportunities while reducing deterrents such as crime will be key in pushing South African women's progress in the business world," says Elliott.

The Supporting Entrepreneurial Conditions Component benchmarks how supportive entrepreneurial conditions are enablers or constraints of women business ownership

and here, South Africa ranks 31st with a score of 62.7. While South Africa performs well for quality of governance and moderately for ease of doing business, it scores slightly lower for cultural perceptions of women entrepreneurs.

"While South Africa has made some solid progress in creating supportive conditions for women entrepreneurs, more must be done to ensure women fully harness these opportunities. It is vital that the public and private sector work together with development organisations to support South African women in fulfilling their potential as business owners and innovators. When that happens, the whole of society will benefit," says Elliott.

World leaders

Overall, developed markets top the index, led by New Zealand (74.4, 1st), Canada (72.4, 2nd) and the United States (69.9, 3rd). These countries have the strongest conditions that support women business ownership, such as robust small- and mid-sized business communities, a high quality of governance and ease of doing business.

Mastercard Index of Women Entrepreneurs – Top 10 markets with the strongest supporting conditions and opportunities for women to thrive as entrepreneurs

1. New Zealand – 74.4
2. Canada – 72.4
3. US – 69.9
4. Sweden – 69.6
5. Singapore – 69.5
6. Belgium – 69.0
7. Australia – 68.5
8. Philippines – 68.4

9. UK – 67.9
10. Thailand – 67.5

Women business owners as a percentage of all business owners – Top 10 markets

1. Uganda – 34.8%
2. Botswana – 34.6%
3. New Zealand – 33.3%
4. Russia – 32.6%
5. Austria – 32.4%
6. Bangladesh – 31.6%
7. Vietnam – 31.4%
8. China – 30.9%
9. Spain – 30.8%
10. US – 30.7%

Methodology

The Mastercard Index of Women Entrepreneurs tracks female entrepreneurs' ability to capitalise on opportunities granted through various supporting conditions within their local environments and is the weighted sum of three components:

1. Women's Advancement Outcomes (degree of bias against women as workforce participants, political and business leaders, as well as the financial strength and entrepreneurial inclination of women)
2. Knowledge Assets and Financial Assets (degree of access women have to basic financial services, advanced knowledge assets and support for small and medium enterprises)
3. Supporting Entrepreneurial Conditions (overall perceptions on the ease on conducting business locally, quality of local governance, women's perception of safety levels and cultural perception of women's household financial influence)

To download the full report, go to <http://mstr.cd/2mgm2Rm>.

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