

Building female owned businesses is critical to economic and social development in South Africa

Women are underestimated powerhouses of an economy. This is not a fact that is relevant only to South Africa, but it is a global phenomenon. Mike Anderson, CEO and founder of the National Small Business Chamber (NSBC) says that South Africa needs to not only build entrepreneurship, but to encourage and develop female business owners. Speaking just ahead of the Small Business Friday (SBF) kick off on 2 September 2016, Anderson says that the drive is not just to develop women from an economic perspective, but the bigger picture of reshaping the modern-day global economy.

"Forbes says that what's good for women is good for the economy and I think this is truer for South Africa than anywhere else right now. While we have many rural women who are already trying to be sustainable, we need to focus on developing our formal sector and boost female entrepreneurship and small business development," says Anderson.

Together with title sponsor Nedbank, the NSBC and its SBF movement hope to encourage the support of local small businesses every Friday. He says it would be great if these businesses were also female-owned: "In the United States, economists and academics agree that women entrepreneurs are an under-tapped force that can rekindle economic expansion. They are becoming more entrepreneurial and already own 36% of all businesses in the US," says Anderson.

While progress has been made, he says that it is nowhere near enough, or at a level where it will make enough of an impact on social and economic issues. A recent study, by an international National Business Women's Council, indicated that women-owned entrepreneurs raise smaller amounts of capital to finance their businesses and are more reliant on personal rather than external sources of financing.

Within the context of growth-oriented entrepreneurship, this distinction is important according to the council because growth-oriented businesses typically require substantial amounts of external capital in the form of both debt and equity. If women entrepreneurs do not seek, or if they are not able to obtain, external capital, prospects for growing their small businesses are diminished considerably.

Locally, the SME Growth Index examines three sectors with growth and value-adding potential: manufacturing, business services and tourism. The Index claims that 21% of its panelists are women, but would like to see an increase in female businesses within these sectors. The multi-country Global Economic Monitor (GEM) survey has conclusively shown that businesses' owned by women tend to be smaller than those owned by men, both in terms of turnover and number of employees. The findings from the SME Growth Index are consistent with this global pattern, finding that women-owned businesses generally have a lower turnover, and fewer employees, than those owned by men.

Anderson says that according to Stats SA's latest Quarterly Labour Force Survey, women comprise 23% of South Africa's total employers: "We have a fantastic opportunity to grow female-owned small businesses and the NSBC and Nedbank would love to see support for female entrepreneurs during August especially. Make Small Business Friday a mechanism to support women and help them become the economic force predicted."

Nedbank also supports several initiatives, aimed at empowering women in business, such as the events through the Business Women's Association, including sponsorship for the past three years of a an event to celebrate exceptional women in business and society.

On a broader level, as a bank, Nedbank was involved in a mutually beneficial Broad-Based-Black Economic Empowerment deal with its partners Brimstone and women's empowerment firm WIPHOLD that concluded in 2015 on its 10th anniversary. But as part of the deal, along with Old Mutual Group and their partner Izingwe, Nedbank, Brimstone and WIPHOLD continued with the relationship, agreeing to establish three sustainable legacy funds of R100m a year. Disbursement from the first fund established in 2015 has benefited a women's agricultural initiative in the Eastern Cape.

Nedbank is committed to business – and making a real difference in South Africa.

Small Business Friday will take place on the 2 September 2016. Those interested can get involved now by pledging support on the pledge wall hosted on the official site www.smallbizfriday.co.za.