



WOMEN IN AFRICA
— PHILANTHROPY —
ENTREPRENEURSHIP
STUDY

Women in Africa Entrepreneurship:
A path to women empowerment?

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Management summary

Is Africa at the dawn of a new era? The continent has been stirring huge amounts of curiosity and observers are constantly looking for promising signs and positive news from the region. In this regard, women entrepreneurship features among the most distinctive and particularly striking trends: indeed, Africa appears to be the continent with one of the highest women entrepreneurship rates globally. The Total Entrepreneurial Activity rate (TEA) of women, measuring the rate of the working age feminine population actively involved in business startups from the starting phase up to 42 months seniority, is estimated at 24%¹, much higher than in most world regions.

This trend is still on an upswing, with about one in two African women intending to start an entrepreneurial activity within the next three years².

But the word "women entrepreneurship" on the African continent can hardly be used in the singular, for it turns out to be what we call a "plural phenomenon".

Sub-Saharan Africa represents the hub, with the female TEA reaching 26%³. Women are twice as likely to start a business there than elsewhere⁴. In contrast, only 8% of women initiate a business in North Africa⁵. These important disparities ensue from different socioeconomic and cultural realities of the regions. Entrepreneurship is thus on an upswing, albeit at different speeds across the continent.

Entrepreneurship is intrinsically linked with several issues women encounter, notably the access to employment. Often women embark on entrepreneurship because they cannot enter the job market, have few or no

educational credentials and need to find a source of income to provide for themselves and for their families. The numerous difficulties they face, both before and after starting up their businesses, tend to force them into necessity-driven entrepreneurship and prevent them from successfully growing their businesses.

Yet their entrepreneurship provides a great opportunity that ought to be seized, a high potential that needs to be tapped.

Indeed, this growing trend of female entrepreneurs creates considerable opportunities not just for women, but more generally for the whole continent.

It therefore is a valuable resource to draw on. It tackles women unemployment and creates added value for economies. Through their businesses, women often aim to address issues populations encounter in their day to day lives that remain unaddressed. Hence, promoting women entrepreneurship may contribute notably to poverty alleviation in Sub-Saharan Africa.

Identifying the underlying patterns would help both in understanding and fostering the phenomenon and create a major impact on African societies and economies. Hence, Women in Africa Philanthropy and Roland Berger have conducted this study to provide unique insights on the profile of the African woman entrepreneur, her drivers and challenges, and her impact on the countries. We encourage you to share these recommendations and get involved so that African women can take the lead, countries can take the chance, and entrepreneurs can take the next step!

1 Roland Berger estimates

2 Global Entrepreneurship Monitor (hereinafter "GEM")

3 GEM

4 African Development Bank, OECD, UNDP 2017

5 Roland Berger estimates

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The promised land of entrepreneurship?

Africa stands as the land of women entrepreneurship

Average regional female TEA rates [% of female population ages 18-64; 2012-2017¹]



A world map with a light orange background. Two circular callouts are overlaid on the map. The first callout is positioned over North America and contains a smaller map of North America. The second callout is positioned over Latin America and the Caribbean and contains a smaller map of that region. Lines connect the callouts to their respective geographical areas on the world map.

North America

12%

Methodology

Estimating the Total Entrepreneurial Activity Rate in Africa.

Data on African women entrepreneurship remains scarce. The Global Entrepreneurship Monitor reports (our primary source of information on male and female entrepreneurship worldwide) only cover 19 of the 54 African countries over the 2012-2017 period. This correlates with the fact that infrastructure traditionally supporting entrepreneurs – such as accelerators, incubators or venture capital funds – also tend to be limited across the African continent. However, thanks to the thorough work of national and international agencies, key socio-demographic indicators are now becoming available for most African countries.

In this context, and leveraging the socio-demographic database structured in the context of the study, we have developed a machine learning model to estimate the Total Entrepreneurial Activity rate for all African countries. Fifteen relevant indicators, including educational levels, the ease of starting a business or fertility rates were used as inputs to feed the algorithm. Machine learning predictions were later used as inputs for some of our key analyses – including our valuation of women entrepreneurship in Africa.

Latin America
Caribbean

17%

KEY FIGURES

24%

The share of African women starting a business

+17pts

The delta between African and OECD average women entrepreneurship rates

USD 150-200 billion

The added value created by women entrepreneurship in Africa

Europe
Central Asia
6%

Middle-East
9%

South East Asia
Pacific
11%

Africa
24%

Extrapolated from GEM
with Roland Berger
machine learning model

One continent and several dynamics

A: Four main clusters to understand Africa's diversity

Clusters composition



Clusters' disparities and dynamics

Key socio-economic indicators per cluster of countries [2015-2016¹]

	Cumulative population (M)	% of total	GDP per capita ² (USD)	Literacy rate ² (% of pop. ages 15+)	Fertility rate ²	Life expectancy ²
The Struggling	317	26%	719	42%	5.1	59
The Striving	395	32%	914	75%	4.5	63
The Emergent	282	23%	6,284	85%	3.4	65
The Traditional	229	19%	3,586	78%	2.9	73
Africa	1,223		2,236	67%	4.3	63
OECD	1,289		37,448	-100%	1.7	81

1 2016 data for cumulative population, GDP per capita, fertility rate and life expectancy; 2015 data for literacy rate

2 Cluster average

Source: World Bank; CIA World Factbook; Roland Berger

The Struggling

19 countries

Benin, Burkina Faso, Central African Republic, Chad, Djibouti, Ivory Coast, Ethiopia, Gambia, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Mozambique, Niger, Senegal, Sierra Leone, Somalia, South Sudan.

This cluster's members show analogous GDP per capita compared to the Striving, but diverge by their literacy rate, for no more than 60% of the inhabitants are literate. It might seem odd to bucket countries like Senegal and the Ivory Coast with Niger, for they differ in many ways; but Ivory Coast only scores 43% for the observed education indicator. As for Senegal, despite a high-ranking position in the group (58% literacy rate and USD 953 GDP per capita), it is comparatively less wealthy than Mauritania and less literate than Mozambique.

The Striving

18 countries

Burundi, Cameroon, The Comoros, Republic of the Congo, Democratic Republic of the Congo, Eritrea, Ghana, Kenya, Lesotho, Madagascar, Malawi, Rwanda, Sao Tomé and Príncipe, Tanzania, Togo, Uganda, Zambia, Zimbabwe.

Accounting for nearly 32% of Africa's population, this cluster is the most inhabited, but appears to be economically less developed than its Emergent and Traditional counterparts – Sao Tomé and Príncipe tops the group with USD 1,772 per capita, and Burundi finds itself at the end of the scale, with only USD 286 GDP per capita. These countries show a gap in wealth and development, but their common denominator lies in their education level: at least 60% of their respective populations is literate. For instance, despite its lower GDP per capita, Burundi's literacy rate reaches 86%.

The Emergent

11 countries

Angola, Botswana, Cape Verde, Equatorial Guinea, Gabon, Mauritius, Namibia, Nigeria, Seychelles, South Africa, eSwatini (formerly Swaziland).

These countries stand out with the highest GDP per capita by far, ranging from USD 2,176 (Nigeria) to USD 15,061 (Seychelles). They benefit from higher levels of education, with a literacy rate beyond 71%. Nigeria acts as the exception, with a literacy rate at 60%, but its economic development and weight (about 20% of the overall African GDP) makes it comparable to other cluster members.

The Traditional

6 countries

Algeria, Egypt, Libya, Morocco, Sudan, Tunisia.

Covering North Africa, this cluster's dynamic is similar to the Emergent's, but slightly weaker economically. The main difference lies in the cultural factor, for these countries appear to be of Muslim faith.

The two indicators on which the breakdown was based emerged as the most relevant given their strong influence on women entrepreneurship.

Achieving self-emancipation

African women most often start up a business out of necessity. By studying women entrepreneurship in Africa, you get an insight into the numerous barriers African women are facing on a daily basis.

From a necessity-based entrepreneurship...

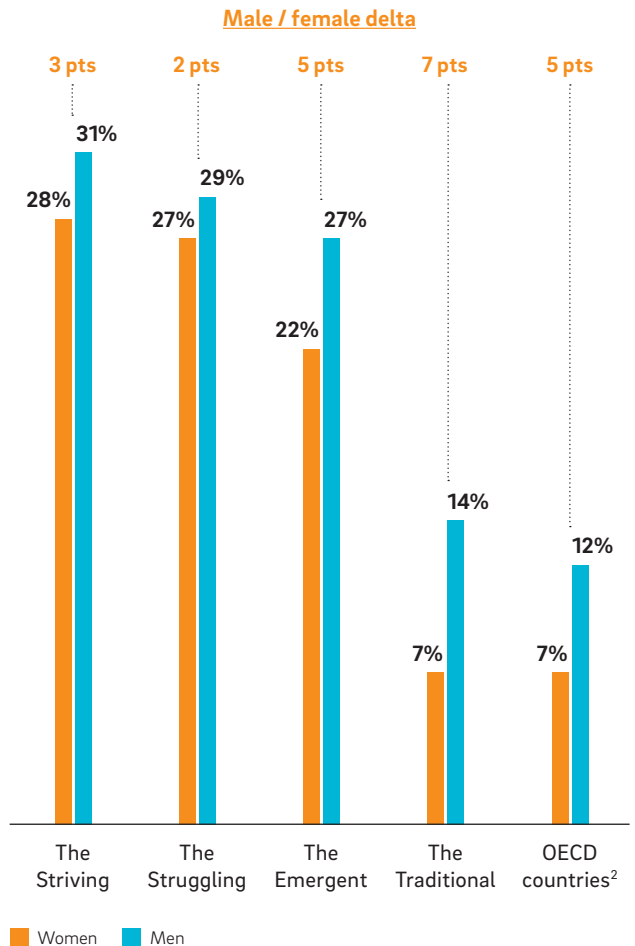
When trying to draw up a portrait of female entrepreneurs, it turns out that employment, education and fertility rates constitute their main drivers. Looking at the global picture, African countries can be classified into four main clusters based on their wealth and literacy rates. → **A**

When taking a closer look at the phenomenon, one is struck by the fact that the highest women entrepreneurship rates are found in resource-scarce environments. On average, richer countries are characterized by lower female TEA rates and greater TEA gender gaps. → **B** African women often start their business out of necessity, often for subsistence, given that they lack other work alternatives. Women face major barriers and are most often prevented from entering the job market. Fatoumata Niang Niox, general director of Jokkolabs Senegal, underlines that they find themselves trapped by sociocultural and economic circumstances and thus end up turning to entrepreneurship to try and earn a living. The phenomenon is stronger in informal economies, where women employment is vulnerable.

Moreover, education appears as a key factor: women tend to be more entrepreneurial where literacy and school enrollment rates are lower, for the lack of education further impedes their access to employment. → **C** Quite unexpectedly, children do not hinder either women employment or entrepreneurship. On the contrary, the African woman entrepreneur is most often the mother of several children: she needs to provide not only for herself, but is in charge of the whole family.

B: The TEA gender gap tends to increase within richer countries.

Average female vs. male TEA rates
[% pop. ages 18-64; 2012-2017¹, Estimates]



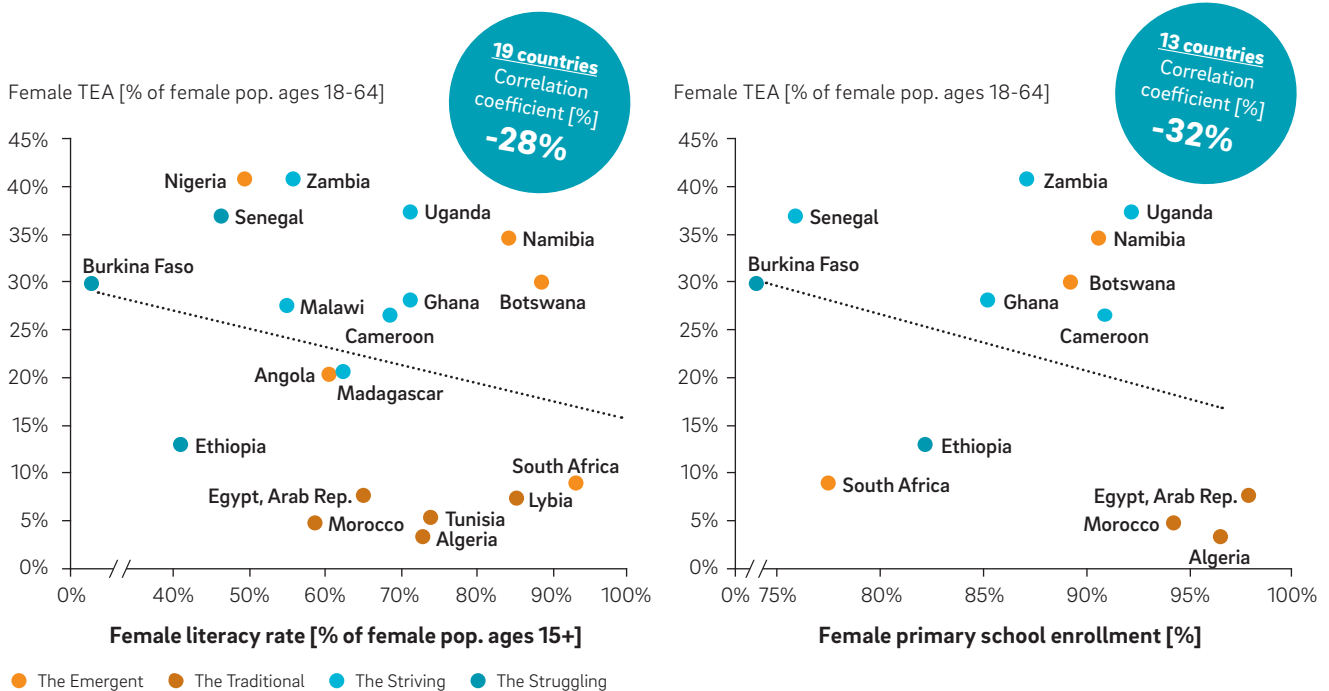
¹ Latest available data for TEA for 19 African countries and OECD members (2012-2017 period); machine learning and clustering estimates for the remaining 35 countries

² Excluding New Zealand and Slovak Republic

Source: World Bank; CIA World Factbook; Roland Berger

10 Women in Africa Entrepreneurship: A path to women empowerment?

C: The education paradox: more female entrepreneurs among low literacy countries. Female education vs. female TEA [2012-2017¹]



1 Latest available data for TEA and female primary school net enrollment (2012-2017 period); 2015 data for female literacy rate
Source: GEM, World Bank, Roland Berger

Entrepreneurship therefore becomes a necessity due to the lack of job opportunities. → **D**

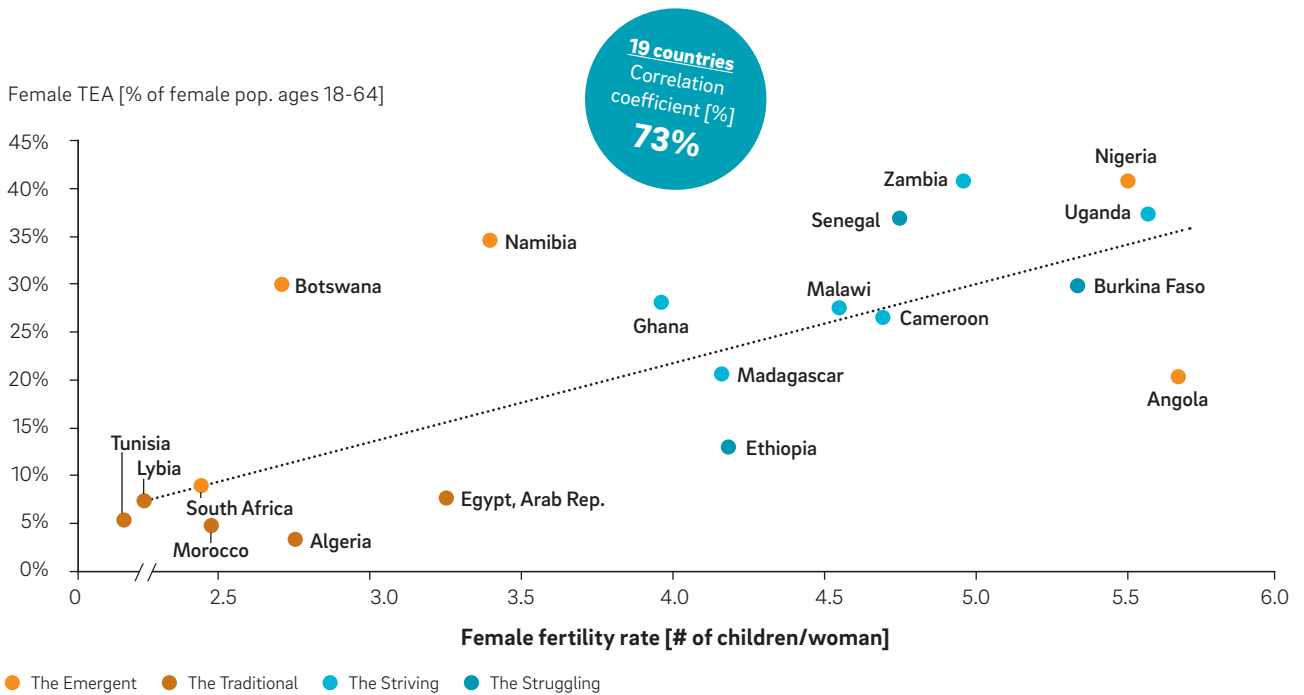
The family fulfils a critical role also because of the lack of digital and banking infrastructure: the family is the one providing resources in most cases, for women face difficulties in accessing finance and obtaining funding. Extrinsic factors such as infrastructure or lack thereof, notably in digital and banking, have a more limited influence on women's decisions to start a business. For instance, the number of mobile subscriptions only ex-

plains 5% of the TEA, and the costs for launching a company only 3%⁶. Similarly, the number of bank accounts do not influence women's TEA: more women start up their companies in countries with fewer banking facilities.

But these external factors tend to hamper development at a later stage. Although necessity encourages women to take the lead and embark on entrepreneurship, the lack of crucial infrastructure curtails business growth later on. As a result, entrepreneurs face difficulties in

6 Roland Berger estimates

D: The maternity paradox: children do not hinder women entrepreneurship.
 Female fertility vs. Female TEA rates [2012-2017¹]



¹ Latest available data for TEA (2012-2017 period); 2016 data for fertility rates
 Source: GEM, World Bank, Roland Berger

trying to eke out a living from their initiatives: 39% of the entrepreneurs who stopped their activity were constrained by a lack of profit, and 15% by problems in getting access to financing⁷. Fatoumata Guirassy, general director of Saboutech, a Guinean incubator for small and medium-sized enterprises and startups, explains that not only do women often lack the means, but they also sometimes do not have the skills required to devel-

op their company. The expert Hervé Lado quotes the example of budget management, underlining that entrepreneurs tend to mix up company and family budgets, ending up using the startup's funds to finance unforeseen familial events. Thus, despite a remarkably high total early-stage entrepreneurial activity, business development quickly reaches a threshold and then starts to ebb.

⁷ GEM, Roland Berger analysis – Survey conducted in a panel of 8 African countries (Botswana, Burkina Faso, Cameroon, Egypt, Morocco, Senegal, South Africa, Tunisia; 2012-2017 period)

... To opportunity-driven initiatives?

As countries develop and levels of education improve, women entrepreneurship tends to decrease, along with the necessity to turn into an entrepreneur. Yet, the existence of this necessity-based entrepreneurship could also be considered as a starting point, towards a trend of more opportunity-driven forms of entrepreneurial activity. Empowered by their education and access to better infrastructure, women start undertaking business more and more often by opportunity, i.e. because they perceive it as an attractive work alternative and have the will to be independent and increase their income.

This momentum is fostered by the perceptions women have of themselves – of both their skills and opportunities. Their self-esteem appears to reach considerable levels. Half of the women surveyed by the GEM stated they intend on launching their startup within the next three years, 61% perceive an opportunity to do so within the next three years, and 56% think they have the required skills to start a business⁸. → E

However, despite these encouraging figures, proving women's strong will and positive perceptions of both themselves and their opportunities, they remain reticent and less confident compared to men: they are still less confident in their own competence compared to men.

This reticence also translates into self-censorship, characterized by women showing less ambition than men. For example, only 28% of female entrepreneurs plan on recruiting more than five employees, and only 7% think they will eventually export more than 25% of their production (five points less than men)⁹.

E: The universal female inferiority complex.

Perceptions of entrepreneurship¹
[% of pop. ages 18-64; 2012-2017²]

On average, men are more willing to become entrepreneurs...

Share of individuals envisioning the launch of a business in the next 3 years

50%

57%

... perceive more opportunities to launch new activities...

Share of individuals perceiving opportunities to start a business

61%

69%

... and feel more confident about their abilities to launch a business

Share of individuals thinking they have the required skills to start a business

56%

64%

■ Women ■ Men

8, 9 GEM, Roland Berger analysis – Survey conducted in a panel of 8 African countries (Botswana, Burkina Faso, Cameroon, Egypt, Morocco, Senegal, South Africa, Tunisia; 2012-2017 period)

1 Panel average for 8 African countries – Botswana, Burkina Faso, Cameroon, Egypt, Morocco, Senegal, South Africa, Tunisia

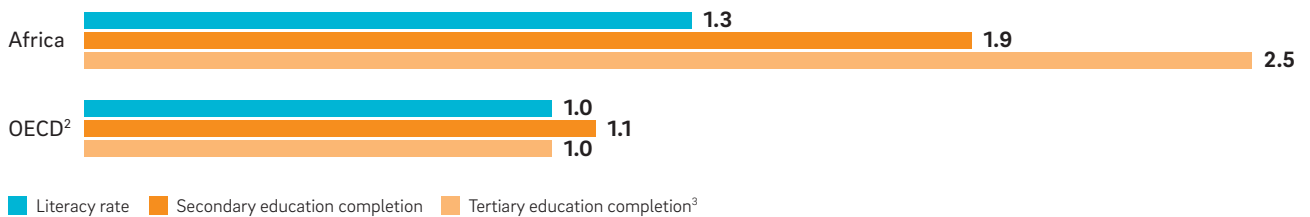
2 Latest available data

Source: GEM, Roland Berger

F: A huge educational gender gap.

[Panel of African countries¹ vs. OECD; 2006-2016]

Male/female ratios for a selection of education indicators [Group average]



1 Panel of 10 African countries: Burundi, Cabo Verde, Democratic Republic of Congo, Ivory Coast, Mali, Rwanda, Senegal, South Africa, Uganda, Zimbabwe
 2 Excluding 8 countries (35 countries in total): Canada, Estonia, Island, Italy, Japan, Luxembourg, Spain, Turkey (data not available)
 3 Bachelor or equivalent
 Source: Unesco; Roland Berger

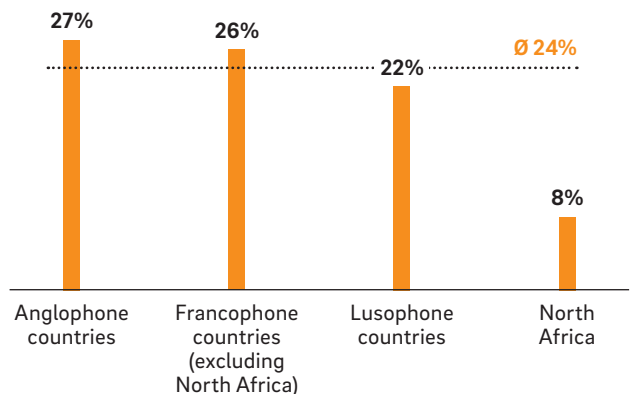
Is Anglophone versus Francophone Africa relevant?

"Lagging behind", "less dynamic", ... Francophone countries are often compared to their Anglophone counterparts in less-than flattering light. While Anglophone countries are seen as more interesting due to their potential and economic growth, Francophones are singled out as latecomers: indeed, five of them were among the six worst-ranked world countries in the Human Development Index 2013. In 2016, the average GDP per capita only reached USD 1,583, when the Anglophones achieved USD 2,232. Moreover, their literacy rates differ by 15 percentage points (56% for Francophones, 71% for Anglophones)¹¹. → **G**
 How does it impact women entrepreneurship? Women of both groups appear to have a similar entrepreneurial spirit: the gap is almost non-existent when we take out North Africa, that entails specific sociocultural realities. The traditional confrontation between linguistic areas therefore seems outmoded with respect to our theme.

11 CIA World Factbook, Roland Berger

G: Language is not a driver of female entrepreneurship.

Average TEA rates across linguistic clusters [% of female pop. ages 18-64; 2012-2017¹]



1 Latest available data for 19 African countries (2012-2017 period); machine learning estimates for the remaining 35 countries
 Source: CIA World Factbook; Roland Berger

Fatoumata Guirassy talks about "psychological barriers": this explains that women entrepreneurs mostly turn to the informal sector, creating small or medium enterprises such as hair or dressmaking salons – sectors that are traditionally perceived as "feminine". These women do not spontaneously take part in incubator programs and events.

The gender gap in African societies is reflected in many ways when it comes to entrepreneurship. Although women intend to undertake a business almost as much as men do in the Struggling and the Striving country clusters, they are much more often constrained by necessity compared to the men. In contrast to the men, women are more affected by lack of higher education and inequalities.

Regarding education, an analysis done on a panel of 10 African countries shows that men have a literacy rate about 1.3 times higher than women's, and are respectively 1.9 and 2.5 times more likely to have completed secondary and tertiary education. → **F**

More generally, African women face various barriers preventing them from accessing intellectual and financial resources as well as networks that could help them get capacities and funding, and further extend their entrepreneurial activities. In terms of access to financing for instance, Economist Hervé Lado highlights that they are being asked to provide additional guarantees when trying to raise funds, e.g. when applying for a loan. The Nigerian entrepreneur and winner of WIA Gold Award 2017 Vivian Nwakah also reports a difference in treatment from investors, who appear to be most often men. This is closely related to the male-dominated environments women entrepreneurs evolve in: in mostmost so-

cio-cultural constructs, women's place in society is reduced to that of the homemaker, rather than being an active entrepreneur. As mothers, women are taking on many responsibilities outside of work, which does not encourage their inclusion or participation in the entrepreneurial sphere. Thus, although women show willingness to undertake a business, Fatoumata Guirassy points out that they often have to redouble efforts due to the sexist mentality within the society.

Creating their own model

What particularly stands out in the characteristic patterns of the African women entrepreneurship phenomenon is the fact that women appear to lack role models.

This trend is illustrated by several data points. In particular, the number of women engaged in politics does not influence the female entrepreneurship rate – for example, 45% of South African parliamentarians are women, yet the local entrepreneurship rate is a mere 9%¹⁰.

Hence, women entrepreneurship does not ensue from a strengthening of women leadership across the societies but should be acknowledged as a specific phenomenon itself. These quantified trends support the fact that women embark upon entrepreneurship not seeking to follow the example of powerful local women, but rather because they are denied access to work, which results in them creating their own model. Regardless of the dire situation they start from, female entrepreneurs could pave a path towards self-determination and empowerment.

Interview with Vivian Nwakah

Founder of MedSaf

MedSaf is a blockchain technology medication supply chain management solution for hospitals and pharmacies in Africa. Its strong impact made it win the Gold Award 2017 Women in Africa Philanthropy.



What was your aim when you created MedSaf?

Which barriers were you faced with when you started?

A friend of mine died by taking fake malaria medication, that is what opened my eyes about the issue within the country. I also had my own personal challenges in the healthcare industry, I had been in the hospital, and scared to take medications that were prescribed. Although it is not perfect in the US, you can pretty much get everything that you need, and live a good life, but here, people are dying from really simple things that have been solved a long time ago. That is what inspired me to take a stand and start putting action into places.

Nevertheless, I did encounter barriers at first. Being a female founder is not easy as men automatically think you don't know what you are talking about or are not as competent as a man. I've gone in meetings and have had to pretend my male employees are in charge. There is also a difference for investors whether they are approaching a man or a woman: men get more easily a path to financing because of an assumption of competence. As a woman, I have noticed that I had to prove myself much more compared to my men counterparts, and I feel that has to do with the lack of female founders raising money.

Are there policies in Nigeria that support women wanting to undertake a business, or encourage them to create their own startups?

There are organizations where women can talk about their projects and support each other, e.g. one called Women in Management and Business and She Leads Africa (women-focused events). But I would not say that I knew of any very strong policy or assistance for women specifically. Although there are many very powerful women, business leaders in Nigeria, the majority of entrepreneurs are the smaller mom and

pop shops, and those are typically run by women. Once you look past the corporations and the larger organizations, when you go to the street and actually see what is happening there, you see many entrepreneurship going on, in which women are involved.

But there is no strong role model effect. Personally, I did not see anyone, men or women, doing what I was thinking of doing when we started MedSaf. But compared to the US, you do have young people trying to think outside of the box and to disrupt the system in order to tackle the numerous issues that have been solved a long time ago in the Western World. We are surrounded by examples of Nigerians, trying to address public issues, and that is powerful and inspirational. Besides, education might be a good leverage: I was a psychology major and I took a job in finance to push myself to get comfortable with numbers. But I was the only woman in my office and eventually the only woman manager. I think businesses would be more successful if women were encouraged to embrace scientific paths (in math, sciences) earlier on.

To conclude, I feel like entrepreneurship is very brave in Africa because of the high probability of failure, especially because if you fail, you let down all the people who count on you, your family in the first place. I personally had a safety net – I knew I could go back to Chicago if anything went wrong -, but most people here do not have that luxury. Yet I have probably never seen a place with so many entrepreneurs – hence I feel like people see entrepreneurship in Africa as a path to being able to own a bit more of their destiny. But I definitely do not think that it is the path that people aspire to, until they have no other choice. More people are moving towards it, but it is going to take some time before you see people leaving their jobs to undertake a business.

Moving towards a new development paradigm

This unique entrepreneurial impetus not only offers women a way of standing out and earning a living, but it also creates remarkable opportunities for entire communities and eventually the whole continent. Women entrepreneurship considerably impacts African economies and societies in several ways.

A knock-on effect on economies

Given its ongoing development, women entrepreneurship could become key to economic growth.

As our exhibits show, it has been delivering considerable value to local economies in Africa.

Women entrepreneurship's contribution to African economies has been valued based on the number of women aged 15 to 64¹², the share of women entrepreneurs¹³, average salaries in the surveyed countries¹⁴ and the ratio of GDP to cumulative salaries¹⁵. This methodology has been applied to each African country, using available data and estimates calculated via a machine learning model and clustering analyses.

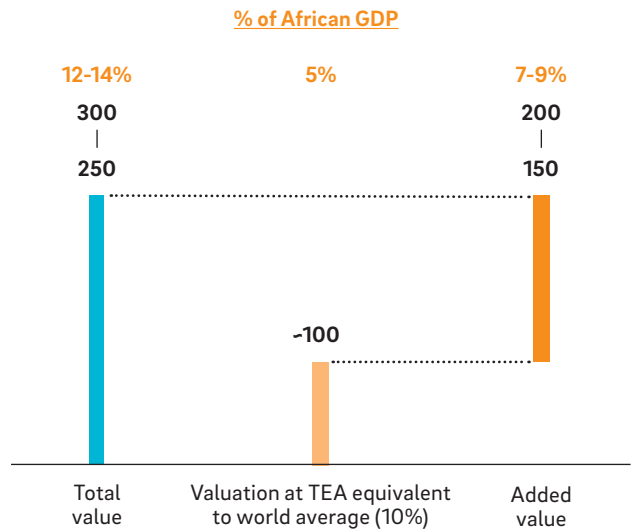
The results are impressive: the total value in GDP terms created by women entrepreneurship in Africa in 2016 is estimated between USD 250 and 300 billion, i.e. ~12-14% of African GDP. If one focuses on the added value of women entrepreneurship – i.e. the value generated above a reference 10%¹⁶ TEA threshold – the figure reaches USD 150-200 billion (~7-9% of African GDP). → **H**

However, our estimates show substantial disparities between African regions. → **I**

The Emergent turn out to bring the highest contribution (~62% of the total added value). This group notably includes Nigeria, the most populated country on the continent, that represents approximately 20% of African GDP. On the contrary, the intake of the Traditional is close to zero.

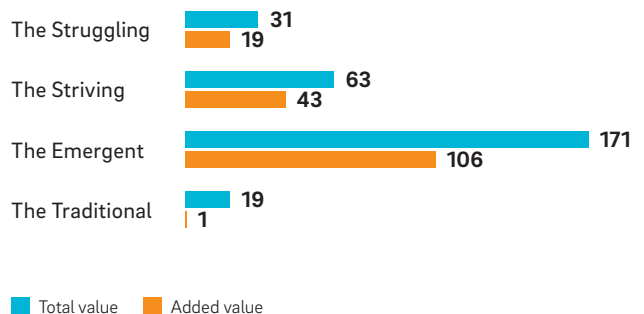
H: Women entrepreneurship creates USD 150 and 200 billion of added value.

Valuation of women entrepreneurship in Africa [Bn USD; 2016, Estimates]



I: A clear contribution for Emergent countries.

Breakdown of women entrepreneurship in Africa by cluster [Bn USD; 2016]



12 Source: World Bank data and projections

13 Source: Global Entrepreneurship Monitor and Roland Berger estimates

14 Source: World Economic Forum and Roland Berger estimates

15 Source: World Bank, World Economic Forum and Roland Berger analysis

16 Roland Berger estimate of world average TEA – Panel of 60+ countries located across all major economic regions

Source: Roland Berger

An answer to state and market failures

The significant impact women entrepreneurship has on the continent is not only shown through this impressive value creation, but is also to be seen in the populations' daily lives.

Women create their own jobs in response to market failures that prevent them from gaining access to employment.

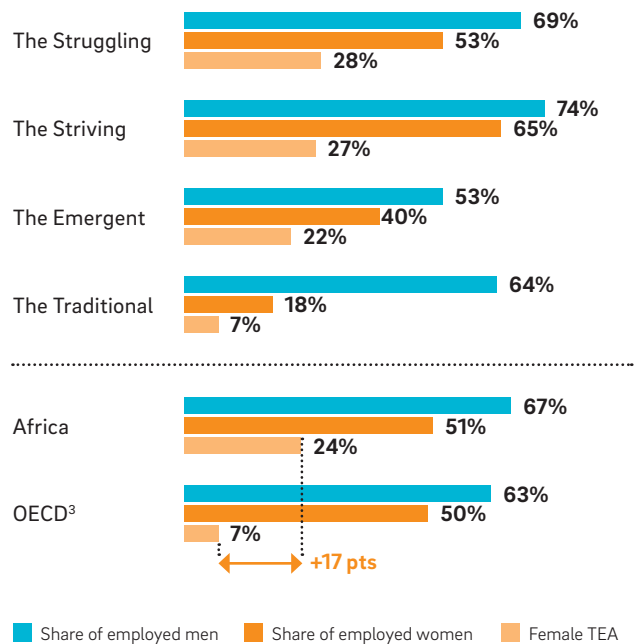
This is in strong contrast to the OECD countries, where women are mostly employed in salaried jobs. This trend is strongly supported by the data: as our analyses show, the delta between women entrepreneurship rates in African and OECD countries is estimated around 17 percentage points. → J

A closer look at the startups created reveals that women mainly undertake a business in the informal sector. African women entrepreneurs are often mothers taking care of large families and start their projects in countries with few business-enabling infrastructure and low education rates. Their entrepreneurial instinct is guided more by compulsion than desire as their situations do not offer any other opportunities.

As a reaction to this environment, women have been developing specific schemes of entrepreneurship: women's business ideas often address policy/daily problems populations encounter. According to Fatoumata Guirassy, entrepreneurs might not do it consciously, but the trend is clear and the social impact undeniable. Fatoumata Niang Niox partly explains this entrepreneurship pattern by the increased awareness women have of social issues, intrinsically linked to state failures, which might be why they try to tackle them. She reports having incubated a startup focused on civil registry and trying to facilitate births registration in the country.

J: Entrepreneurship: a real opportunity for African women in terms of access to employment.

Average employment participation and TEA rates [% of adult pop.¹; 2012-2017²]



1 % of pop. ages 15-64 for employment, % of female pop. ages 18-64 for TEA
 2 Latest available data for TEA for 19 African countries (2012-2017 period); machine learning estimates for the remaining 35 countries; 2016 data for employment rates
 3 Excluding New Zealand and Slovak Republic
 Source: GEM; World Bank; Roland Berger

Generally speaking, women entrepreneurship covers sectors such as agriculture, energy (e.g. rural electrification project, projects focused on improving access to water), education and health. Therefore, these women-powered companies have a positive effect on societies, especially in the less privileged countries.

The share of the added value of women entrepreneurship in the countries' GDP tends to slightly decrease within the wealthiest countries.

The gap with the Traditional is particularly striking, for women entrepreneurship brings close to zero contribution. → **K** It is particularly interesting to see that the state's failure to structure markets creates such entrepreneurship windows and therefore, innovation. Through their entrepreneurial instincts, women demonstrate the courage to embark on such an adventure and use their inventiveness to address societal and community issues.

New patterns in entrepreneurship

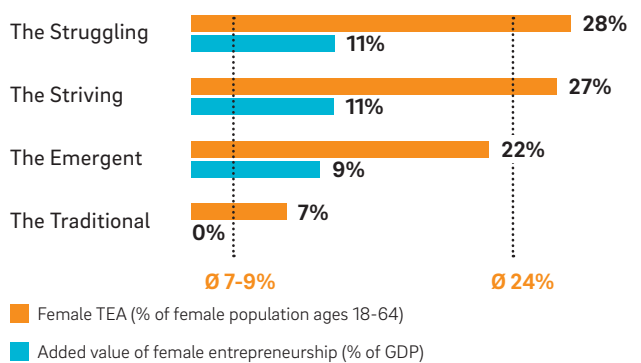
Looking at these characteristics – regarding both the profile of female entrepreneurs and startups created – it turns out that women entrepreneurship in Africa offers a new model of entrepreneurship. Indeed, these trends fundamentally differ from what we have known to date. The African woman entrepreneur most often undertakes a business in difficult conditions, without having had the necessary training to grow it, and simultaneously handling the responsibility of a large family. This contrasts with what has been seen in other regions, notably in Europe and North America, where women entrepreneurs often graduate from universities and operate in a comfortable environment. These differences are also to be found in the type of entrepreneurship. Women entrepreneurs' businesses remain quite rudimentary. About half of them start their little company in the wholesale/retail sector (58% of surveyed women¹⁷).

17 GEM, Roland Berger analysis – Survey conducted in a panel of 8 African countries (Botswana, Burkina Faso, Cameroon, Egypt, Morocco, Senegal, South Africa, Tunisia; 2012-2017 period)

18 Ibid

K: Significant decrease in TEA among wealthiest country groups.

Average TEA rates and added value of women entrepreneurship [2012-2017¹]



1 Latest available data for TEA for 19 African countries (2012-2017 period); machine learning estimates for the remaining 35 countries; 2016 estimates for the added value of female entrepreneurship (% of GDP)

Source: Roland Berger

This clearly contrasts with Western startups that appear to be engaged in an innovation race. Where other entrepreneurs focus on digital tools and seek to launch the most disruptive technologies, the majority of African women do not – and most often cannot – develop digital, groundbreaking, high-tech devices. Thus, their creations do not fit our traditional definition of innovation. Women entrepreneurs themselves do not consider them as such: only 20%¹⁸ deem their product or service an innovation.

But African women entrepreneurs end up creating a different form of innovation: they demonstrate creativity by creating their own job and trying to bring solution to complex, unaddressed issues. Through their activities, they contribute to the continent's development and prove Africa's potential for innovation.

Fostering women empowerment

For all these reasons, women entrepreneurship in Africa represents a great opportunity and an important resource that needs to be drawn on. African women have the will and motivation to start their own business, perceive good opportunities to do so but they need support to develop and prosper. Drawing on the patterns observed, we came up with the following recommendations, urging to leverage on education, infrastructure and gender equality, notably in access to employment.

Leverage on education

The lack of education can drive women to entrepreneurship, for it contributes to the necessity by hampering women's access to the job market. But the lack of skills, expertise and experience end up slamming the brakes on further project development later on. The fact that these women have not benefited from training and do not have relevant job experience puts them at greater risk of failure. It also prevents local businesses from scaling up into innovative, prosperous startups. Education thus appears as an invaluable tool to leverage.

An increase in educational opportunities would not lessen the entrepreneurial impulse, but it would simply give an impetus to the driving factors. It would certainly decrease the growth rate of necessity-based entrepreneurship, but the loss would be offset by it simultaneously fostering opportunity-driven initiatives.

However, a differentiation must be made between education and continuous training. Hervé Lado highlights that both can contribute to the development of an entrepreneurial spirit, but in various ways. According to him, bridging the gender gap in education – in schools – has to be the goal of a long-term strategy, whereas training can be used in the short and medium term as a powerful tool in the meantime. Targeted modules, tailored to a specific entrepreneurship skill, can help women entrepreneurs acquire the skills they need to grow a business. For rather small entrepreneurs, the goal would be to teach them to manage the inputs/outputs as well as the small loans taken out. It is also important

for them to learn budget management. In addition, once women have successfully started and registered their company, they do not need access to microfinance, but rather to national and international banking systems. Thus, training should teach them how to make a business plan, how to project themselves in 3-5 years and anticipate the working capital requirements. They could also learn to develop more partnerships, whether it be with subcontractors, suppliers, or investors.

Therefore, Hervé Lado concludes that efforts should be made on the one hand, to improve educational systems and foster young girls' literacy, notably by creating incentives for institutions to encourage girls' applications – especially in engineering and technology. On the other hand, it is important to create conditions to spur the implementation of continuous training programs, e.g. networking, experience-sharing and coaching activities for women entrepreneurs.

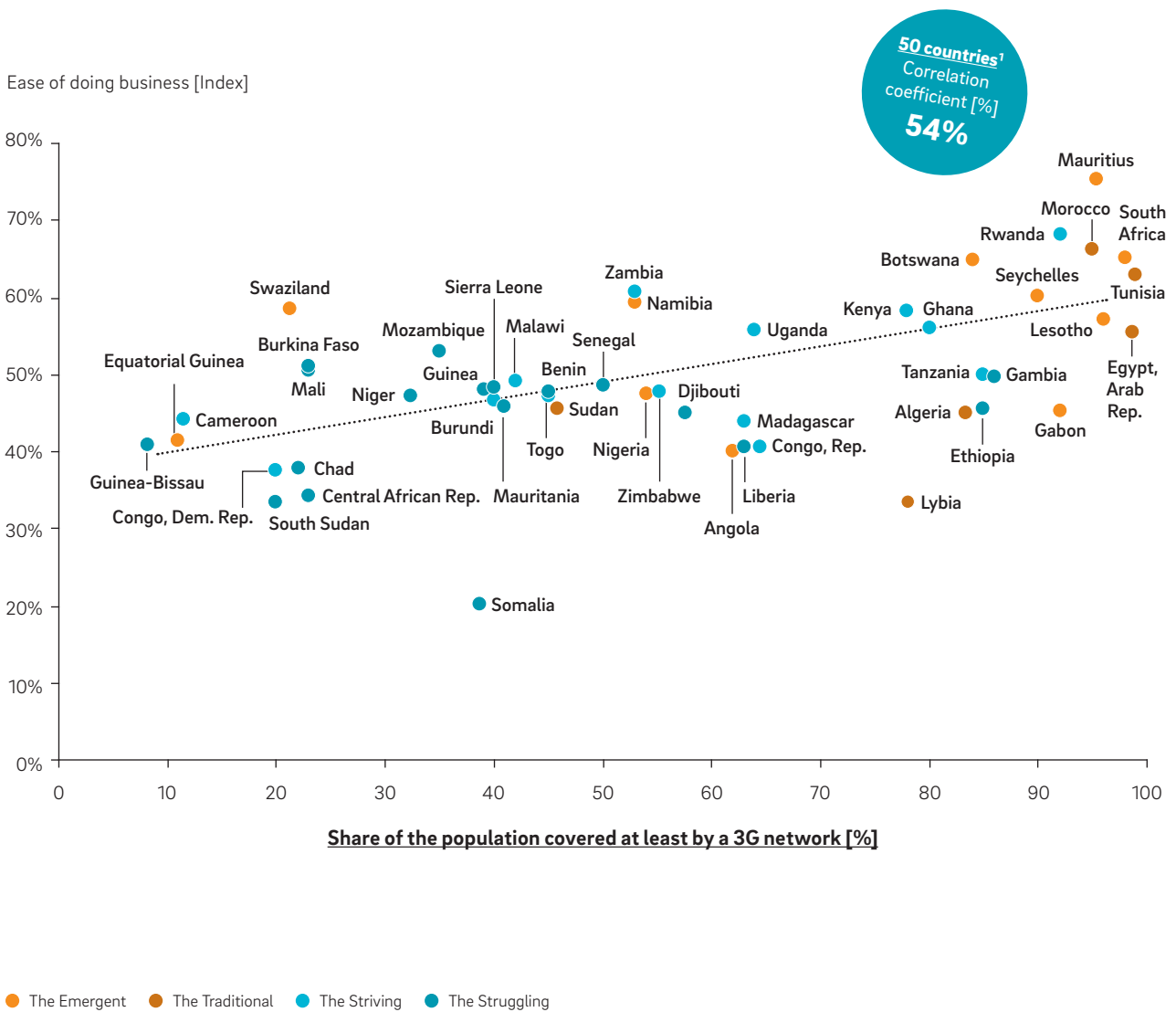
Fostering improvements in education – both through initial education and continuous training – would considerably nurture women self-empowerment and open up new opportunities for them. It would also help tackle gender inequalities by encouraging them to stop censoring themselves. It is high time they overcame psychological barriers and broke stereotypes: no sector should be reserved for men – women should be able to choose path in Science, Technology, Engineering and Math, go in the digital sector, and eventually grow beyond the local scale.

Create an enabling environment

The shift towards opportunity-driven entrepreneurship should also be fostered by the creation and development of infrastructure. Indeed, appropriate infrastructure (e.g. digital and banking) would improve the business climate, create incentives for entrepreneurship and facilitate the development of the initiated projects.

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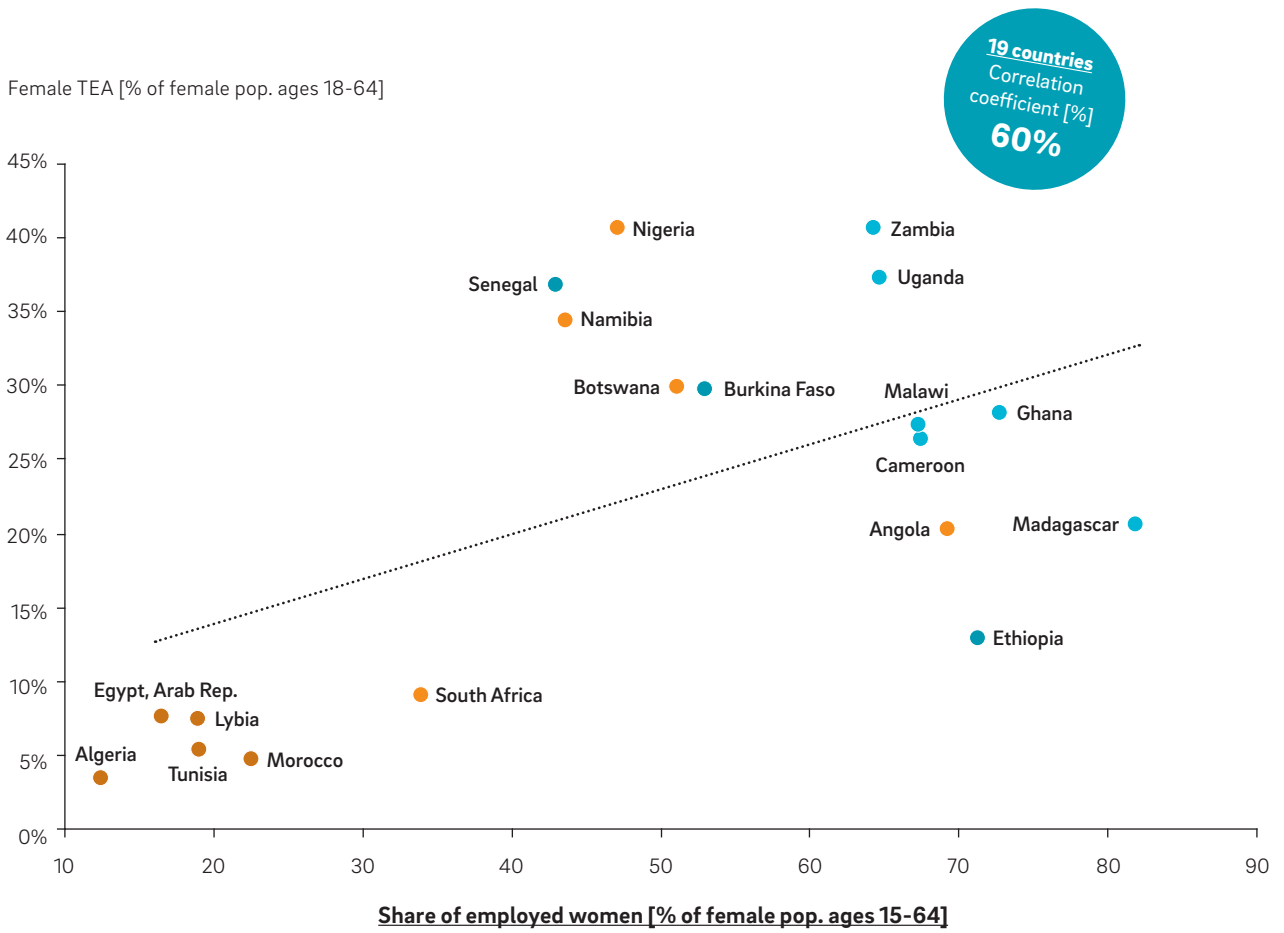
L: Good infrastructures are facilitating the ease of doing business.
Ease of doing business vs. 3G network coverage [2016]



¹ 4 countries excluded from the analysis: Ivory Coast, Sao Tomé and Principe, Eritrea, Comoros (data not available)

Source: World Bank; ITU; Roland Berger

M: Entrepreneurship is contributing to female employment.
 Female TEA vs. female employment rate [2012-2017¹]



● The Emergent ● The Traditional ● The Striving ● The Struggling

¹ Latest available data for TEA, 2016 data for the share of employed women
 Source: GEM, World Bank, Roland Berger

Regarding finance, the lack of access to funds, particularly affecting women, considerably hampers business growth.

Hervé Lado explains that women may have access to micro-savings and finance but that these resources are often very small: they cover familial needs but do not suffice to start a long-term thriving business.

As for telecommunications and digital networks, they can play a role through the connections they offer; setting up of a widespread 3G network for example will facilitate business needs. → **L**

Telecom and digital infrastructure can also be exploited by entrepreneurs in the product/service they offer. Several women-owned startups illustrate this point: Farmbracket in Nigeria for instance, an open online market system that connects farmers and buyers via SMS, or DigiHealth in Uganda, a data collection and aggregation mobile app for low-cost health facilities. Therefore, further developing them would create incentives for women to turn to digital entrepreneurship. Hence, there is a dire need for government policies and regulations on that matter. Several public as well as private initiatives have already been launched to support women entrepreneurship in Africa. In the Traditional country cluster, Tunisia has a National Chamber for Women Business leaders (CNFCE) and Egypt has the Alexandria Businesswomen Association, that have been supporting women for over ten years by assisting them in their business activities. Within the Emergent country cluster, Nigeria encourage women to use technology to foster entrepreneurship through the Women's Technology Empowerment Center. The Striving countries gather various entrepreneurship-focused associations (notably in Kenya and Uganda). Even the Struggling countries created similar structures: the Ethiopian government launched an initiative

to help more than 120 women entrepreneurs with EUR 900,000 over three years.

But these structures remain sparse and rather small. Further steps should be taken to foster a real change and improvement in general infrastructure. Hervé Lado advocates that incentives be put in place for financial institutions to promote women entrepreneurship, through funding programs for instance.

Fight for equality of access to employment

The gender gap is undoubtedly at the core of many barriers and issues, and therefore needs to be addressed.

We underlined the role of education and infrastructure, but as the female TEA and the employment rates are highly correlated, the disparities in access to employment also have a considerable impact on women entrepreneurship. → **M**

It is thus urgent to tackle the important enduring inequalities. Hervé Lado highlights the need to ensure that gender equality is a matter of national concern: i.e. pass all public policies/laws through a "gender inequalities detector" to avoid any structural or institutional bias favoring men, and to have equal opportunities guaranteed by the law.

African Women entrepreneurship as a nurturing ground for change

The results of the study show that Africa has the strength to lead its way towards a better future. Breaking from past trends of entrepreneurship, women defy the odds and take the lead, demonstrating their resourcefulness.

Yet one shouldn't forget that there are many challenges ahead still. Women entrepreneurs still run a serious risk of being confined to a very local-scale, preventing them from developing big, prosperous and innovative startups.

African women entrepreneurship thus needs to be supported and fostered: it is essential to create opportunities for them to be integrated in the markets, from which they are most often excluded. By leveraging education, gender equality, development of relevant infrastructure and access to networks, entrepreneurship could help women achieve further empowerment. One thing is sure: the continent can count on women's strengths and energy to rethink the present and build up a brighter future.

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WE WELCOME YOUR QUESTIONS, COMMENTS AND SUGGESTIONS

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WIA Philanthropy: The Foundation Women In Africa (WIA) Philanthropy's mission is to promote the diffusion of education in the field of economic development, and more specifically the training of future creators of innovative companies. We aim to provide them with tools, network, and training and development on the long term.

WIA Philanthropy is one of the pillars of the global initiative Women in Africa founded by Aude de Thuin, committed to the cause of women for 20 years, which aims to become the first international platform for economic development and support of African women leaders and high potential.

The missions of the foundation have gathered around 4 major programmes

- > WIA ENTREPRENEURSHIP PROGRAMME 54
- > WIA ENTREPRENEURSHIP STUDY
- > WIA ENTREPRENEURSHIP ADVOCACY
- > WIA ENTREPRENEURS' CLUB PLATFORM

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