

Women and the Changing Face of Entrepreneurship in Africa
Conference, Harvard University, October 1-2, 2020

Context

Studies investigating the dynamics of gender inequality and growth in Africa have tended to approach the subject from the angle of human development and labor force participation. The majority of these studies have concluded that increasing female enrollment rates and reducing educational gender gaps are growth enhancing. In the past decade we have seen growth in a new body of work that focuses on female entrepreneurship and female-owned or managed businesses in Africa. One of the key studies that drew attention to this important trend was the 2008 report by the World Bank, *Doing Business: Women in Africa*.¹ The report, inter alia, noted that the three countries with the highest percentage of women entrepreneurs were Ghana (44%), Cape Verde (43%), and Rwanda (41%). These patterns are confirmed by a more recent study on developing countries more broadly, the *Mastercard Index of Women Entrepreneurs* (2018), which also noted that countries with the highest number of female entrepreneurs included Ghana, Uganda, Bangladesh and Vietnam.² The report comments that Ghana far outstrips all its peers with the highest percentage of women business owners (46%). This speaks to a long history of female entrepreneurship in Ghana.³ Indeed, Sub-Saharan Africa has the highest rate of female entrepreneurs globally with approximately 26% of female adults involved in entrepreneurial activity. Roland Berger's *Women in Africa Entrepreneurship Study* (2018) noted that female entrepreneurs contributed between US\$250 billion and US\$300 billion to African economic growth in 2016, equivalent to about 13% of the continent's GDP.⁴ According to McKinsey, the female economy is the world's largest emerging market with the potential to add US\$12 trillion to global GDP by 2025.

Even before the outbreak of the COVID-19 pandemic, recent studies also pointed to the huge obstacles women entrepreneurs in Africa face: from adverse social and cultural norms to a US\$42 billion financing gap, though women operate over 40% of small and medium-scale enterprises (SMEs) in Africa. COVID-19 has simultaneously presented a global health pandemic and an economic recession; shutdowns and stay-at-home directives have had consequential economic impact, and a lack of economic security threatens adverse healthcare outcomes. Across Africa, the promises of the Fourth Industrial Revolution have not yet been fully realized, and the continent is heading towards its first recession in 25 years. The World Bank estimated "COVID-19 will cost the region between \$37 billion and \$79 billion in output losses for 2020." The African Union recently reported that 20 million African jobs are at threat from the pandemic, with a disproportionate impact on women and youth employment. The global pandemic threatens to further exacerbate gender gaps in education, financing, and other socioeconomic outcomes.

Conference Organizers

In the light of the above, this conference on "Women and the Changing Face of Entrepreneurship in Africa" could not have come at a more opportune time. Despite the challenges of COVID-19, there remains promise in the business context marked by the implementation of the African Continental Free

¹ World Bank: *Doing Business: Women in Africa* - <https://www.doingbusiness.org/en/reports/thematic-reports/women-in-africa> (April 2008)

² Mastercard: *Mastercard Index of Women Entrepreneurs (MIWE) 2018* - https://newsroom.mastercard.com/wp-content/uploads/2018/03/MIWE_2018_Final_Report.pdf

³ See for example, Claire E. Robertson, *Sharing the Same Bowl: A Socio-economic History of Women and Class in Accra, Ghana* (Bloomington: Indiana University Press, 1984).

⁴ Roland Berger: *Women in Africa Entrepreneurship Study* - <https://www.rolandberger.com/en/Publications/Africa-First-female-entrepreneurs-in-the-high-tech-sector-as-new-role-models.html> (September 2018)

Trade Area (AfCFTA), the world's largest free trade area by number of countries. With a potential to increase Africa's economic outputs by US\$29 trillion by 2050, and an estimated US\$4.2 trillion business-to-business, the AfCFTA carries enormous opportunities for women entrepreneurs, including in large scale and innovative business⁵. While COVID-19 has caused disruptions to global supply chains and to existing workflows and ways of doing business, the pandemic may also present an opportunity to stimulate local manufacturing, rethink supply chains domestically and intra-Africa, and reimagine the workspace. Female-owned and operated businesses have been proven leaders and innovators in developing and implementing agile business solutions from adopting new business models to implementing e-commerce and digital payment solutions in response to COVID-19. Capturing the thoughts and responses of Africa's leading female entrepreneurs in response to the COVID-19 crisis will serve to inform the scholarship at Harvard and the policy decisions undertaken by governments, NGOs, and other funders.

The conference panels (see below) push against the grain of the received literature by highlighting the place of female entrepreneurs not just in the formal economy but operating large-scale and pioneering innovative businesses. This will challenge the mainstream narrative on African female entrepreneurs operating largely in the informal sector and in small and medium scale enterprises. It is critical to understanding this changing face of female entrepreneurship and the related policy implications. The conference will also explore the need for business agility in the face of rapidly evolving national policies to combat COVID-19, with an eye towards the actions and frameworks that will need to be developed to enter a post-COVID recovery and growth period. A collaboration between Harvard University's Center for African Studies, the London Stock Exchange Group (LSEG), Lionesses of Africa, the United Nations Economic Commission for Africa (UNECA), and Standard Bank, the conference brings into partnership a leading research university, a major policy institution of the United Nations, a major network of women entrepreneurs in Africa, one of the most important stock exchanges in the world, and a leading African banking group. Over two days, the deliberations of the conference seek to provide a clearer understanding of the landscape of female entrepreneurship on the continent, identify challenges and opportunities, examine policy frameworks, and define policy actions that would position African women, leaders in global female entrepreneurship, to play a transformative role in the world's largest emerging market.

The organizers of this conference bring considerable in-house knowledge to this event. Harvard University has several distinguished faculty members across the Faculty of Arts and Sciences, the Law School, the Business School, and the Kennedy School of Government, who work on female entrepreneurship in Africa, and the Harvard Medical School and Harvard T.H. Chan School of Public Health, where research is informing Africa's healthcare response to COVID-19. Faculty across the university are working at the interface of the health pandemic and economic outcomes, recognizing the major implications for Africa, a vast continent with poor physical and health infrastructure, where COVID-19 and the economy may have to co-exist much longer than in other parts of the world. The London Stock Exchange Group in addition to its *Companies to Inspire Africa Reports*, the latest one from 2019, runs the FTSE *Women on Boards Leadership Index*. The *Reports* showcase women-owned and women-run businesses, and the *Index* contributes to gender diversity by creating awareness of how companies with gender diversity perform better. Only 14% of board members in Africa are women.⁶ Several studies on

⁵ United Nations Economic Commission for Africa (UNECA), 2019

⁶ CDC: *Partnership will bring exceptional female talent to boards and investment committees across the continent* - <https://www.cdcgroup.com/en/news-insight/news/cdc-backs-theboardroom-africa-with-1-6m-funding-to-increase-womens-representation-in-african-boardrooms/> (January 2019).



how to strengthen women entrepreneurship in Africa call for networks that support women entrepreneurs. Perhaps, there is no more outstanding network of women entrepreneurs on the continent than the Lionesses of Africa with its 1 million+ affiliated women entrepreneurs. Lionesses of Africa is a social enterprise that builds and delivers entrepreneur development programs, mentoring programs, business tools, digital media channels, community platforms, networking events, and information resources. The UNECA through its Africa Centre for Gender seeks to address gender inequality and women's empowerment through producing researches, developing tools and providing evidence for policy formulation and implementation. The Africa Centre for Gender produces the *Africa Women's Report* (AWR) and policy research on various women's empowerment issues, including women's entrepreneurship. Its 2019 AWR focuses on "Digital Finance: A Pathway to Women's Economic Empowerment." It has also developed the *African Gender and Development Index*, which measures progress in the achievement of gender equality and women's empowerment in Africa. ECA has built pools of experts and coalitions of women's human rights advocates, whose contributions have been instrumental to women's economic empowerment. Furthermore, ECA and its partners through its African Women Leadership Fund aim to create a sustainable platform that promotes the growth of women-owned and operated business across the continent. UNECA has been at the forefront of the continent's economic response to COVID-19, recognizing that the pandemic could leave 29 million Africans in extreme poverty and slow GDP growth by up to 2.6%. The Standard Bank Group is a leading financial institution that offers banking and financial services to individuals, businesses, institutions and corporations in Africa and abroad. It has a long track record of supporting the growth of entrepreneurs on the continent, and specifically, for helping to empower women entrepreneurs to fulfill their business growth potential. Standard Bank has been a strategic partner of Lionesses of Africa for many years across the African continent, supporting networking, communication, educational and developmental programmes that empower women entrepreneurs.

Conference Agenda

The conference will feature four panels over two days with a keynote speaker on each day. The conference program will outline the key issues for each panel and provide a case study. Moderators for each panel will guide the discussion with the panelists, fielding general and specific questions to panelists, and then opening up to include audience participation.

Panel One (Plenary Session): Women Entrepreneurs, Business Agility, and Africa's Massive Job Creation Challenge. Here we seek to understand factors for the rise of high-growth women entrepreneurs, pathways that can facilitate their international expansion, and how we can support the next generation of high-growth entrepreneurs. How has the landscape been changed by COVID-19, and how are women entrepreneurs adopting new ways of doing business? We also seek to correct the prevailing picture of African women enterprises as small or medium scale. In agriculture, digital, manufacturing, artisan enterprise, fashion, and services, Africa's women entrepreneurs are creating large-scale businesses. How do we support scale up, sustain, and replicate such large-scale endeavors both in the present environment and as we look towards a post-pandemic economy?

Panel Two: Women Entrepreneurs, Value-added Commodity Processing, and Economic Diversification. We seek to understand the trend of women entrepreneurs creating newer, more dynamic, and higher value agro-products such as chocolate, beauty products, botanicals, teas, and coffees. African women have entered into mining and have set up successful diamond cutting and polishing businesses. We have long recognized the need for diversification in the commodities and natural resources sectors, and the COVID-19 pandemic has only accelerated the push for economic diversification, processing of commodities and raw materials, and industrialization.

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Panel Three: The Digital Economy and Economic Growth for Africa's Women Entrepreneurs. How do we solve the connectivity gap and create opportunities for Africa's women and girls to be part of a more inclusive digital world? How do we provide access to digital technologies that allow Africa's women to benefit fully from the goods, services, and capital available across online markets? How do we leverage emerging technologies and business models to remove longstanding barriers to women's economic opportunities in poor countries? What examples have arisen in response to the COVID-19 pandemic that illustrate the embrace of new digital platforms, e-commerce, and mobile payment solutions?

Panel Four: Strengthening Institutional and Policy Frameworks, Funding, and Networks to Advance Women Entrepreneurs. How can policy formulation promote and elevate women's entrepreneurship as a priority for African economies? How do we overcome the funding gap? How can we design banking products and offerings that African women entrepreneurs need? How do we strengthen corporate governance and legal frameworks to guide women entrepreneurs to on the international scene? What national responses to the economic impacts of COVID-19 have been successful in supporting women's entrepreneurship and getting funding to those who will most benefit?

Conference Outcomes

In addition to the conference report the organizers will produce a policy paper, which will also highlight key facts and figures on women entrepreneurs with infographics on the sectors they are engaged in. The conference organizers will also create an informal working group with a focus on research and policy. The working group will share its research and policy recommendations with groups of women entrepreneurs and through the respective UN bodies, the Africa Union, the African Development Bank, and the African Export-Import Bank.