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Sustainable Women’s Entrepreneurship: A View from Two BRICS Nations

By Obianuju (Uju) E. Okeke-Uzodike

Abstract

Women in Africa are poorer, less educated, and enjoy less access to jobs and opportunities than men. While that is true for women around the world, the situation in contemporary Africa appears deeper. Earlier neo-classical economists viewed women as irrational economic agents, but boosted by the intellectual activities of feminist economists that highlighted the gender bias of mainstream economics. The aid and development agencies such as the World Bank and UNDP have committed to poverty reduction by embracing and strengthening the idea of holistic human development to eliminate gender-related inequality. The concept is well spelt out in the national/regional policy frameworks and international development declaration such as Sustainable Development Goal (SDG). Consequently, the growing contributions of women entrepreneurs to economic development are increasingly recognised. In South Africa, the government has endeavoured to boost development through public policies and strategies that focus on women’s empowerment and entrepreneurship. Therefore, cognizant of proximate similarities between South Africa and Brazil, this paper examines gendered policy approaches and initiatives by their governments to advance entrepreneurship development. The study relied heavily on reputable secondary sources from government publications, journal articles, books and publications from professional bodies. The study findings provide insights into gaps in building sustainable women entrepreneurial and development activities. The findings also show a need for a gendered transformational entrepreneurship using a holistic and process-orientated approach. The study concludes that existing government platforms for women entrepreneurs are crucial for addressing national developmental challenges by providing learning grounds and complementary growth paths through the introduction of gender-sensitive and sustainable approaches for entrepreneurship.

Keywords: Sustainability, Women’s Entrepreneurship Development, Government, Brazil, South Africa.

Introduction

Globally, developing countries are experiencing significant economic growth and transformation. The “emerging markets and developing economies account for 75% of global growth in output and consumption” (IMF, 2017:65). Brazil, Russia, India, China, and South Africa

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1 Obianuju (Uju) E. Okeke-Uzodike is a Senior Lecturer in the Faculty of Management Sciences, Durban University of Technology (DUT), Pietermaritzburg, South Africa. She holds an MBA degree from ESUT, Business School, Lagos, Nigeria and a Ph.D degree in Management from the University of KwâZulu-Natal, South Africa. Uju is a young and emerging researcher with special interest in the area of Management Sciences. Her research activities are two-pronged: effective mobilization of human resources, and human capacity building most especially in the areas of women’s empowerment. She has made a number of presentations at international and local academic conferences.
(BRICS) are so integral to this economic growth and transformation and are therefore regarded as investment opportunity-areas because of their strategic roles in the Americas, Europe, Asia, and Africa. Collectively, BRICS nations are recognized for strong development patterns and dynamic economic change as underscored by the Russian Presidency: “Our countries accounted for over 17% of global trade, 13% of the global services market and 45% of the world's agricultural output [in 2014]” (BRICS, 2015:1). Ulyukayev noted, “The combined GDP of the five BRICS countries surged from USD 10 trillion in 2001 to USD 32.5 trillion in 2014 or 30% of global total” (BRICS, 2015:1). In addition, BRICS human resources base constitutes 43% of the global population, 24.3% of world biodiversity and 30% of BRICS’ territorial spaces hold significant reserves of natural resources such as energy and mineral resources (BRICS Business Quarterly, 2017; Time, 2017; World Bank Group, 2013; Global Environmental Facility [GEF], 2008).

The motivation for research into the BRICS countries stems from the IMF (2017) report, which listed BRIC countries (Brazil, Russia, India, China)\(^2\) as the four largest emerging and developing economies. The World Bank GDP growth report listed three BRICS countries—China 2nd, India 7th and Brazil 9th—amongst the world’s largest economies (World Bank, 2015). Furthermore, BRICS has strengthened tremendously its global standing as an important factor in international affairs and an efficient mechanism for harmonizing member-state positions on pressing modern-day challenges. The BRICS countries are continuously improving their cooperation mechanisms to promote hands-on enhancement, stability and reliability of the global financial system, and the strengthening of trade, economic and investment cooperation between BRICS members and with other countries. Consequently, trade between the BRICS countries in 2014 was up by more than 70% to US$291 billion and is expected to reach $500 billion in 2020 (BRICS Quarterly, 2017; TimesOfIndia, 2016\(^a\); BRICS, 2015).

However, despite BRICS’s economic importance, crucial areas of challenges such as the huge gender-based income gaps experienced by South African women vis-à-vis men provided the impetus for a deeper assessment of the problems and possible solutions. Brazil stood out as a potentially useful comparative case-study given its roughly comparable racial and income distribution profiles as South Africa despite enjoying long spates of stability and economic prosperity. A case study is a veritable research strategy/instrument for in-depth, up-close, and detailed analysis/examination of a situation/subject of study (case) and its contextual conditions in order to reveal/discover interesting information. Thus, given the dedicated empowerment policy agendas of successive South African and Brazilian governments, case-study assessments of their effectiveness seem apposite.

Other reasons for case comparisons abound. The European Union’s strategic partnerships with Brazil and South Africa in 2007 (Gross, 2013:4) provide important bases to track the patterns of development, opportunities, characteristics and challenges within their respective regions/continents. The BRICS currency ratio for Brazil and South Africa has remained steady at 3% and 2.5% respectively (TimesOfIndia, 2016\(^b\)) while the global currency ranking placed the South African Rand and Brazilian Real at 18th and 19th positions, indicating closeness or similarity on the value of their respective currencies (Siddiqui, 2014). Also, Brazil and South Africa have patterns of similarities in their demographic profiles and levels of economic development.

Growing literature document the thriving spirit of entrepreneurship and its development opportunities, especially in Brazil, with South Africa being average. However, because women entrepreneurs are labelled as the changing face of the global economy, their role in job creation

\(^2\) BRIC acronym became BRICS after South Africa joined in 2010.
and economic growth cannot be underestimated. In addition, *Harvard Business Review* notes that women: represent the largest emerging market; control about $20 trillion in global consumer spending; and have acquired entities representing over 30% of registered businesses worldwide (IFC, 2012). Given the global importance of women’s entrepreneurship, this paper seeks to assess government role in building sustainable women-run entrepreneurship in Brazil and South Africa. The study explores the various support policies and strategic frameworks implemented by Brazil and South Africa for women entrepreneurs. Following the introduction, the theoretical framework examines the philosophies and ideologies underlying women economic empowerment to better understand policy framework and implementation in South Africa and Brazil. The next two sections cover the state of women entrepreneurs, and various government intervention policies and initiatives in South Africa and Brazil, respectively. Section five focuses on the lessons learned in ‘facing reality and the path ahead’. The article concludes by outlining learning strategies for both economies.

**Theoretical Approaches to Sustainable Women’s Entrepreneurship**

The contemporary struggle for women’s empowerment/entrepreneurship goes back more than five decades with discourses about the role of women in development, especially with respect to the implementation and effectiveness of emergent gender-based agendas. The quest to find the right approach to development that balances the interests of all stakeholders resulted in a transition of theories/approaches and policies seeking gender equity and equality. Such approaches include Women in Development, Women and Development, Gender and/in Development, and Women, the Environment and Development. Their advocates often saw as fundamental the traditional belief systems that bounded women’s economic freedom and retarded development by emphasizing gender differences while neglecting social bonds in delimiting participation within the productive realms of the economy. For instance, driven by the objective reality of poverty and exclusion as epitomizing the condition of African women (Hunter-Gault, 2006), scholars were keen to identify how best to unleash women’s energies for economic growth and development.

At its height in the 1970s, Women in Development (WID) discourse provided the initial thrust for scholarly debates on the nature and extent of women’s subordination and infantilization in Africa, and on specific actions for the effective integration of women in national economic and development plans of governments. Of scholarly roots, WID drew significantly from the Modernization Theory of Development, which sought to replicate Western development experiences in the Third World (Nyangoro, 1989; Koczberski 1998). The 1970s American feminist movements (Razavi and Miller 1995) also heavily influenced WID. As Okeke-Uzodike and Onapajo (2013:32) underscored:

“The advocates of this viewpoint saw as fundamental the displacement of African traditional values, which they believed reduced women virtually to the status of domestic workhorses. For the advocates, this displacement must constitute the starting point for the resolution of female poverty in Africa and proper integration of women into the West-driven modernization processes highlighted as the pathway for development in the Third World nations”.

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Boserup (1970), WID’s foremost proponent, focused much attention on the details of domestic interactions within African communities. Her conclusions damned European colonialism, for female economic subordination in modern societies; disrupting ‘female farming systems’ that marked African and other agrarian societies; modern agricultural tools that weakened the strong position of women within Africa’s traditional agricultural economy; decline of women as significant actors in the agricultural sectors of developing countries (in strong collaboration with European settlers); land reform policies in Africa that quickened women’s decline as major contributors to agricultural production; and employing religious principles (‘a strong propaganda’) to undermine traditional African social systems that were structured around women (matrilineal societies) (Boserup, 1970:53). Collectively, these contributed to women’s loss of their customary rights to access and use of land in many African societies (Okeke-Uzodike and Onapajo, 2013).

Boserup (1970) argued that those factors combined with post-colonial industrial and modernization policies in Africa and other developing countries to further disempower women by marginalizing and discouraging female labour and enthroning men as suppliers of labour and as the overwhelming drivers of development. This compounded women’s marginalization by destroying the traditional agrarian power base and importance; so, women lost equal status with men within their societies and families. The main food producers, women were also the key food processors and managers of food distribution within the household. However, with the loss of status, women ate after men, which meant they often consumed less (Sen and Grown, 1987). Thus, WID insisted that women’s historical and contributive role in development should be re-established by empowering them through formal positive steps which include: elimination of gender-based discriminatory practices in admission to agricultural schools; active training of women on the use of modern agricultural equipment; and adoption and use of birth control programmes in line with female practices in the West (Boserup, 1970).

The WID approaches injected women firmly into the development discourses of scholars and practitioners; and, it altered the tone of debates about the nature and extent of subordination experienced by women across the globe. Yet, WID attracted extensive criticisms from both proponents and opponents of women’s empowerment for: advocating a one-size-fits-all approach that ignores the complex nature of development given its differentiated relational and multidimensional contexts; offering westernization as a solution; conceptualizing African (developing country) women as “backward”; over ‘compartmentalising’ women; engaging in bad analysis. For instance, people in marginalized rural contexts are often viewed as illiterate in WID analysis despite possessing literacies that are relevant and useful within their socio-cultural contexts (Street 2005; Chua et al. 2000).

WID also failed to appreciate the link between the condition of African women and the “structural and conceptual mechanisms by which African societies have continued to respond and resist the global processes of economic exploitation and cultural domination” (Pala, 1977:9). Indeed, Okeke-Uzodike and Onapajo (2013:33), citing Koczberski (1998:404), argue that “women cannot be isolated [realistically] for analysis to explain their subordination. Rather, the existing linkages between their work roles and kinship relationships, including the nuances of the predominant socio-political systems in which they operate, must be taken into consideration”.

Faced with serious criticisms, WID3 discourse shifted quickly in the late 1970s to the Gender and Development (GAD) perspective as scholars focused their analyses on the role of

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3 Women and Development (WAD) approach was driven largely by Marxist feminists who favoured the dependency theory as their analytical tool focusing on improving women’s working environment and conditions (Mohanty 1997).
Seeking to transform gender-based inequality, proponents were particularly, keen to re-empower women by assessing the instrumental bases of disempowerment through the social construction of gender identities within societies. In essence, to understand the challenges facing women entails an understanding of the patterns of relationships that shape the interactions between male and female genders in societies. GAD proponents insisted that relationships between males and females were not predetermined biologically. Instead, such relationships reflect the net outcomes of existing practices that underpin socio-cultural order of societies (Elson 1991; Østergaard, 1992; Salazar, 2000). Ann Whitehead underscored the point: “No study of women and development can start from the viewpoint that the problem is women, but rather men and women, and relationships between them. The relations between men and women are socially constituted and not derived from biology .... in this connection sex is the province of biology, that is, fixed and unchangeable qualities, while gender is the province of social science, that is, qualities which are shaped through the history of social relations and interactions” (cited in Østergaard 1992:6).

However, as with WID, GAD quickly found itself deep in intellectual quicksand. Cornwall (2003) argues that beyond the terminology nothing significant was being offered by GAD. WID and GAD were modernisation projects (Cornwall 2003; Oyewumi 2002), which were so immersed in Western feminism that they worked against the interests of women in developing countries (Mohanty 1997) whose lived experiences they failed to acknowledge and engage (Chua et al., 2000). In addition, WID and GAD ignored the devastating effects of structural inequalities (classism) and its impact on women farmers (Pilgeram, 2011).

Clearly, there are no compelling reasons to doubt that women across nearly all modern societies are subjected (more or less) to lower status and less desirable labour; and, are also largely marginal in decision-making processes of most states. The lower status of women is not unique to Africa but as elsewhere, African patriarchies are not static; their dynamism, historically, is borne out by significant and growing evidence. As Akyeampong and Fofack (2012:4) underscore:

“Patriarchal alliances struck between various colonial administrations and African chiefs and elders resulted in the systematization and codification of patriarchy across African societies… Following the 19th century introduction of cash crops, which though utilizing female labor were gendered male, while subsistence or food crops were gendered female, scholars have concluded that the socio-economic status of African women were worse off in the colonial period than in the pre-colonial period. This was because avenues for female political representation were closed off during the colonial period, and the colonial wage economy was essentially a male one. …if pre-colonial Africa was not an era of perfect gender parity, colonial Africa clearly emerged as an era of institutionalized gender inequality”.

Unfortunately, the idea of static...

“…African patriarchies is bought and resold by many Africans, with the result that men have become resistant, and women themselves indifferent, to gender mainstreaming based on a Eurocentric historical view of African
gender relations. This analysis partly accounts for the slow transformation in gender and women development” (Isike and Okeke-Uzodike 2011:228).

So, while GAD provided useful insights on how gender interactions has encased bias and the disempowerment of women, its raison d’être lacked adequate analytical sophistication to provide a holistic explanation of adequate relations. It focused negatively on males and ignored the interactions within gender (women with women or males with males) and how gender issues feed into other areas of differences such as age, social status or wealth. GAD ignored wide areas of constructive relations between women and men. As such, the approach lacked the complexity needed to serve as a meaningful explanatory framework for understanding the wide array of cooperative interactions between men and women across societies (Cornwall, 1997; Razavi and Miller, 1995).

Weakened, GAD gave way (in the 1980s) to Women, the Environment and Development (WED) perspective. Following the 1970s oil crisis, scholarly literature and debates created fears about overdependence on the earth’s limited resources while also providing crucial impetus for structured solutions, especially for global South people who depended primarily on wood fuel as source of energy. Thus, the connections between poverty, under-development and environmental degradation led to WED. Its focal mantra was sustainable development. Moreover, its basic argument rested on the idea that environmental degradation constituted a major threat to the health and livelihood of women in rural areas given their dependence on agriculture. WED found traction quickly in Africa (and Global South) where it resonated because of the heavy dependence of African rural women on agriculture for sustaining themselves and their families while faced with growing environmental challenges and concerns.

The WED approach was analytically more complex and the proponents argued that women in developing countries faced massive challenges that posed deadly threats to their living environments (Dankelman and Davidson 1988). Modernization and industrialization, which lack much (if any) redeeming value in developing countries (imposing poverty and unemployment), have worsened the lives of vulnerable people, especially women (Braidotti et al. 1994; Dankelman and Davidson 1988). Crucial also to the WED argument is that despite women’s extensive involvement, capacity, and superior knowledge on environmental matters, (Dankelman and Davidson 1988)4, they are nearly shut out in decision-making processes on such issues.

As with other approaches aimed at gender balance in development, WED has faced criticisms, including: its failure to account for the “time and labour women needed to ‘save’ the environment” (Okeke-Uzodike and Onapajo, 2013:11); and “its inability to account for the wide array of activities beyond natural resources performed by women” (Goebel, 2002:296). Irrespective of successes in elevating women’s issues in intellectual and policy circles, WID, WAD, GAD, and WED could not mainstream gender into the structures and activities associated with sustainable economic development. That has started to change since the adoption of a strategy for mainstreaming gender equality (MGE) at the 1995 UN Conference on Women in Beijing, China. The concept of gender mainstreaming refers to:

4 With subtle changes in WED discourse since 2000 through “Gender and Climate Change,” gender has become a focal basis for assessing the effects and impact of climate change (Kiptot, and Franzel 2011; Dankelman, 2010; UNDP 2009). The basic position is that climate change does not affect everyone (men and women) in the same way even if they are exactly within the same environment. This is because women face “socially conditioned vulnerabilities and capacities” as well as “cultural limitations” (UNDP 2009: 27).
"The process of assessing the implications for women and men of any planned action, including legislation, policies or programmes, in any area and at all levels. It is a strategy for making the concerns and experiences of women as well as of men, an integral part of the design, implementation, monitoring and evaluation of policies and programmes in all political, economic and societal spheres, so that women and men benefit equally, and inequality is not perpetuated” (UN, 2002: v).

The ultimate goal of mainstreaming is to achieve gender equality by ensuring that all gender-related issues are addressed and integrated into all levels of society, politics, and programs (The Commonwealth, 2016; UN, 2002).

Given the foregoing, this paper adopts the MGE approach in line with the concept of sustainable development (SD). The Brundtland Report (1987:1) defines sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs". While MGE emphasizes integration at three levels (society, politics and programs), sustainable development addresses issues of ecology, sociology and economy—resulting in overlap between MGE and sustainable development (with support from sustainable entrepreneurship). For Patzelt and Shepherd (2011), sustainable entrepreneurship refers to “the discovery, creation and exploitation of opportunities to create future goods, and services that sustain the natural and/or communal environment and provide development gain for others.” Not surprisingly, many governments place sustainable entrepreneurship development high on the policy agenda, giving priority to women entrepreneurship. Indeed, support and facilitation of women-owned enterprises is essential in bridging the socio-economic challenges of inequality and sustainable economic growth and development for a nation (Khumalo and Mutobola, 2014).

Though different, approaches such as WID, WAD, GAD, and WED represent ideas on social justice and equality and women’s empowerment in pursuit of socio-economic and political development for all. Still, those objectives must be accomplished within a global economic environment shaped and dominated by capitalist thinking and social environments dominated by patriarchal norms and values. Clearly, for sustainable development to be entrenched, a need exists to mainstream women’s empowerment and social equality into economic and development activities at all levels of government and society. As part of that, a push for poverty reduction and women’s empowerment through women entrepreneurial activities are fundamental for ensuring holistic and sustainable national development.

Women, Government and Entrepreneurship: Evidence from South Africa

Women constitute 51%, of 57.7 million people and 35.4% of the country’s economically active population (Stats SA, 2018). South Africa’s post-apartheid governments’ quest for rapid inclusion has led to market deregulation, trade liberalization, and agreements amongst BRICS (and other) nations. The economy has shifted towards market-led supply-side support measures facilitating industrial restructuring, technology upgrading, investment and export promotion, and small, medium and micro-sized enterprise (SMME) development (ITC, 2011). With SMMEs in mind, much government activities revolve around entrepreneurship, an area where women generally dominate the informal and less active sectors. However, South African government focus
on promoting gender equality in business with large financial packages to female-owned SMMEs as grants, training and consultative support services, and other funding has not resulted in, commensurate increases in the inclusion of women across key formal business sectors or in their success rate as business owners. The persistent failure may be traced to a tendency by South African women entrepreneurs initiating businesses as survival activities rather than as identified opportunities/gaps within the marketplace that are ready for exploitation.

As Irene (2017) argues, opportunity entrepreneurs are those who discover or identify an opportunity or gap in the marketplace and embark on the entrepreneurial journey to fill that gap. By contrast, necessity entrepreneurs embark on the journey out of a need to survive because of a lack of employment, have reached the peak of their careers (glass ceiling) or lack the necessary qualifications to work for other firms. South African entrepreneurship highlights the gender divide between these two types of entrepreneuships... men are more often ‘opportunity’ entrepreneurs and women are more often ‘necessity’ entrepreneurs). That implies that many South African women are driven primarily by survival needs (‘necessity’) rather than ‘opportunity’ in their business ownership ventures. It follows that many of them take on those activities poorly-prepared and without the skillset and competencies needed to handle the complex terrain associated with managing business operations. As is the case elsewhere globally, women who are excluded from the economic mainstream often struggle for survival on the margins within informal economies. Hamstrung by multiple factors including poor education, race, gender, class, location, and few (if any) opportunities in the formal economy, many women seek poorly remunerated work in the more accessible informal sector. While the resulting massive income gap affects whole communities, the impact in South Africa is heaviest on blacks and women (Irene, 2017; Kehler, 2003)

Seeking solutions, a growing number of studies show the increasing importance of entrepreneurship for poverty alleviation, job creation, productivity growth (GDP), and high-quality innovations (Naude, 2011; Van Praag and Versloot, 2007; Ayyagari, Beck and Demircuc-Kunt, 2007). Report shows that SMMEs contribute 36% to the South African GDP; account for 60% of the total labour force; and create 65% of all new jobs (BusinessReport, 2017; PMG, 2012). Historically, African women dominated local markets through their activities as buyers and sellers (Boserup, 1970). Increasingly, “buying and selling” are called “entrepreneurship” as stakeholders rethink the implications for economic inclusion and transformative development.

Government’s view of enterprise development is reflected in the 1995 White Paper on the National Strategy for the Development and Promotion of Small Business in South Africa, and the National SMMEs’ Amendment Act 29 of 2004. The main objectives of these policy frameworks were built around enterprise development, promotion of small businesses and entrepreneurship, gender parity, and elimination of obstacles to the programmes. More recently, reaffirmation of these objectives is evident in policy documents such as New Growth Path (NGP) and National Development Plan (NDP) Vision 2030. NGP and NDP contend explicitly that creating decent work, reducing inequality and defeating poverty can only happen through a New Growth Path founded on restructuring the South African economy to improve performance not only regarding labour absorption, but also the composition and rate of growth (EDD, South Africa, 2010). The resultant effect is believed to be economic growth through entrepreneurship.

In addition, government has taken further steps to create various initiatives to boost entrepreneurship such as the South African Women Entrepreneurship Network, which was launched to allow women to speak with one voice and redress the socio-economic impact of apartheid-era policies that particularly oppressed and exploited women (Parliament of the Republic of South Africa, 2013). The second is the Ithubalentsha Micro-Enterprise Programme, which
provides training and mentorship for several aspects of entrepreneurship culture, finance, market linkages, and business opportunities. The National Youth Development Agency grants young entrepreneurs start-up funds ranging from ZAR1,000 (US$84) to ZAR100,000 (US$8,500) (NYDA, 2015). The Technology for Women in Business was set up to empower women within the technology sector (Western Cape Government, 2013). This shows recognition of the value of more targeted entrepreneurial support.

The implementation of these programmes reflected (in varying degrees) the fate of entrepreneurial activities and women’s economic empowerment. Generally, government and NGO interventions have had little positive impact on female entrepreneurial success despite their potential to unlock economic growth in South Africa with better targeted support (Irene, 2017; Herrington, Kew and Mwanga, 2018). Indeed, targeting could redress the low Total Entrepreneurship Activity (TEA) rate for South Africans—lowest among BRICS countries at 8.0% (men) and 5.9% (females)—who believe they lack skills necessary for start-ups (GEM 2018). Given its low rates of start-ups and established firms, a more robust contribution by businesswomen could bolster its comparatively weak entrepreneurial sector.

The 2014 Social Institutions and Gender Index (SIGI measures gender-based discrimination in social institutions) for South Africa is low at 0.0599 (SIGI value below 10% is considered low) but top performing when compared with other African countries (OECD, 2014:51). Irrespective of the later milestone, South Africa still faces challenges that have impacted heavily on women and entrepreneurial activities.

**Women, Government and Entrepreneurship: Evidence from Brazil**

With the world’s 5th largest population (210 million), and the 9th largest economy (1.8tn), Brazil is a global powerhouse. Males constitute 49.4% and females 50.6% of the population. Out of about 65.9% of Brazilians who are active economically, over 15% manage their own businesses due largely to post-1980s enabling government policy reforms and programs on economic/social inclusion, influence of CSOs and NGOs pushing self-help ideas, and positive media engagements (WEF, 2015; da Silveira Leite, 2015; IBGE, 2013). Of the resulting 1.2million new enterprise registrations annually, 99% are micro and small enterprises. However, most (58%) of the businesses struggle and fail within 5 years (Church, 2015)

Still, government investments/programs and associated high economic growth resulted in about 40 million people entering the middle class and 27 million people becoming involved in entrepreneurial activities locally, with over half of Brazilian entrepreneurs being women, which translates into millions of women owning and managing their businesses (Schmidt, 2013; Ernst and Young, 2013). With support strategies for domestic innovation to promote and sustain economic development, Brazil experienced growth in foreign investment. In testimony to its robust entrepreneurial culture and activities, SMEs comprise 98% of all companies in Brazil, and are responsible for 96% of jobs. Indeed, research shows that 13 in 100 Brazil residents are involved in start-ups with 4% of start-ups accounting for 40% of all jobs created annually, and justifying Brazil’s reputation as a leading entrepreneurial country (Peaceman, 2013; Endeavor Global, 2012).

Brazilian government has taken bold steps to ensure the sustainability of women inclusive entrepreneurship using policy frameworks and strategies such as the *Simple Nacional* taxation system to reduce the time and resources needed for multiple tax payments. The system provides lower taxes and allows mini and small businesses in different regions to merge several taxes into one payment form (Brazil Business, 2008).
To deepen women export-oriented entrepreneurship, the Brazilian Ministry of Development, Industry and Foreign Trade, the Secretariat of Women’s Policies (SPM) and the Brazilian Export and Investment Promotion Agency (APEX) signed an agreement to delineate gender equality policies for exporting companies. Brazil also created new categories, boosting women competitiveness, and prize awards for outstanding enterprises (Brazil-Arab News Agency, 2013). Similarly, Brazil encouraged the International Finance Corporation (IFC) to invest $470 million to expand access to finance for women-owned businesses in Brazil in collaboration with Bank of America, Bank of Tokyo, Mitsubishi, National Bank of Abu Dhabi and the Development Bank of Japan. In addition to access to finance, the deal promotes inclusive growth and job creation, and access to quality education, healthcare, and housing (IFC, 2014).

Additionally, government legislation in 2004 allowed federal university professors temporary leave to create start-ups with financial support from the Financing Agency for Projects and Studies (FINEP). Up to $65,000 each were earmarked for 18 innovative incubators, which are “groups of start-ups all housed in one building, or overseen by one supervisor, to encourage the smaller companies to work together and share ideas” (World Bank Group, 2013:2). This set-up also allows investors to visit them and learn about several start-ups at one time. Under the incubation programme, the World Bank houses and sponsors Infodey (a partnership of international aid organizations) which runs incubator programmes in 86 countries (World Bank Group, 2013).

The well-crafted policies and strategies notwithstanding and despite the millions of Brazilian women entrepreneurs, Brazil still faces challenges in ensuring a more balanced economic status quo and improved economic conditions and empowerment for women across all business sectors within the region and BRICS. Brazilian women face gender biases ranging from unequal salaries and poor working conditions to being stuck within the informal sector often due to public policies that directly affect women’s right to access opportunities (Church, 2015). As one businesswoman underscored, ‘prejudices are still a major challenge for women and especially for those who are poor and live in rural areas, but when we cannot face them, we circumvent them’ (Church, 2015:92).

Facing Reality and the Road Ahead

Entrepreneurial activities in both South Africa and Brazil reflect varying results within their environmental contexts. The EY G20 Entrepreneurship Barometer 2013 measures the entrepreneurial activities of a mix of the world’s largest advanced and emerging economies (including BRICS countries). G20 represents “about two-thirds of the world’s population, 85% of global GDP and over 75% of global trade” (G20 Australia, 2014:1). The five measuring indices used by EY G20 for entrepreneurial activities are access to funding, entrepreneurship culture, tax and regulation, education and training, and coordinated support. However, the results for South Africa and Brazil reflected varying degrees of successes and challenges.

For access to funding in South Africa, Ernest and Young (2013b) noted improvements in microfinance and availability of government funding. Although the financial sector is developed, funds were not easily available for start-ups and existing entrepreneurs, and capital was often too expensive. There was also evidence of high rates of mergers and acquisitions such as ABSA, African Bank, First Rand and Public Investment Corporation acquired by Barclays Africa (Dolan, 2014). Despite active entrepreneurial spirit in South Africa, entrepreneurial intentions in the country are low for an efficiency-driven economy. For instance, although media attention to
entrepreneurship stood at 73.8% in 2016 (Herrington and Kew, 2016), actual entrepreneurial intentions rate was 6.9%, a decline when compared to 2015 report of 9.2% (Herrington et al, 2017). The total early-phase entrepreneurial activities (TEA) rate of 6.9% was far below the average (14.3%) for efficiency-driven economies (Herrington et al, 2017).

At 5.3 for tax and regulations, business start-ups are easier, quicker and cheaper in South Africa than any other BRICS country compared to the G20 recommended average of 7.6 (World Bank Group, 2010; Ernst and Young, 2013b). The cost for starting a business (percentage of income per capita) is 2.2 lower than the recommended G20 average of 9.4 (World Bank, 2013; Ernst and Young, 2013b). At 33.3 and 14 against the recommended G20 rate of 49.7 and 14.2, respectively, the tax rate and indirect tax are comparatively enabling despite a marginal 2018 increase in VAT5.

South Africa’s tough labour rules are also impeding entrepreneurial growth since new businesses struggle to comply with stringent labour laws such as minimum employee salaries and benefits, and staff hiring and termination guidelines—resulting in fewer new enterprises, and many businesses remaining small or dropping into the informal sector (Ernst and Young, 2013a; Economist, 2013). The G20 Entrepreneurial Barometer documented that out of 144 countries tracked by the World Economic Forum, South Africa is 143rd for hiring and firing practices, 140th for flexibility of wage determination, and 144 for cooperation in labour-employer relations (Ernst and Young, 2013b; Schwab, 2012).

Education and training remain pressing challenges facing South Africa where reports show that 80% of state schools are substandard (OECD, 2013; BBC, 2012). The World Economic Forum’s Global Competitiveness Report argues that South Africa’s inadequately educated workforce is the single most problematic factor in doing business in the country. Out of 144 countries studied, South Africa ranks 132nd for the quality of primary education and 143rd for the quality of mathematics and science education (Schwab, 2012). Private institutions, where standards are considered higher, are too expensive and out of reach for the average South African. The problems persist despite on-going efforts by government to boost training and research and development. These efforts notwithstanding, standards achieved at many institutions fail to meet labour market requirements; hence, the rampant calls for further improvements in educational reforms. Nevertheless, there are emerging evidences of improvements in support structures such as incubators, mentorship programmes, industry-specific training programmes, entrepreneurial workshops, and corporate engagement with start-ups.

While Pretoria’s Global Competitiveness Report is relatively adequate for an emerging economy South Africa’s reality is that pressing socio-economic, political and cultural issues are impacting heavily on national economic growth and entrepreneurial activities. Despite a 1.3% GDP growth in 2017, unemployment remained high at about 27% (youth unemployment at 36.1%); and at 0.69 Gini coefficient, income inequality has widened rapidly (tradingeconomics.com, 2018; Stats SA, 2014; World Bank, 2014). Furthermore, the statistical evidence suggests that females are more heavily affected by growing poverty (Stats SA, 2014).

Disturbingly, GEM reports that only 6.2% of South African women are involved in entrepreneurship, down from 9% in the previous year (Herrington and Kew, 2016). Furthermore, the informal sector is largely marginalised and mostly dominated by women (Jackson, 2016; Herrington and Kelley, 2012). The GEM data shows that early-stage entrepreneurial venture/activity by men is 11.6% compared to 7% for women (Herrington and Kew, 2016). There

5 South African Value Added Tax increased from 14% to 15% in April 2018. National Treasury. 2018 Budget Speech.
is growing evidence that lack of education (mentorship, management skills and training) impacts heavily on South African women entrepreneurs (OECD, 2013; Herrington and Kelley, 2012; IWF, 2011). In addition, inadequate focus within secondary and tertiary institutions on practical skills required to start, manage or work in entrepreneurial ventures, results in certificate/degree holders lacking clear paths for cultivating competencies related to practical thinking and creative problem-solving needed to build and manage businesses successfully (Morris, 2014:1). Thus, the ripple effect is that the environment is not conducive for the development/growth of female entrepreneurs and entrepreneurial activities generally.

Brazil’s G20 Entrepreneurship Barometer of 2013 scores were above average for three indices (funding, education and training, and coordinated support) but below average for two (entrepreneurship culture and tax and regulation system). The 2007 Simple Nacional taxation system made tax filling an average 2,600-hour nightmare (G20 average was 347 hours). Predictably, tax filling stymied Brazil’s business initiatives and activities, contributing to high mortality rate of about 49% for micro/small businesses in their first year (Ernst and Young, 2013a).

On access to funding, although Brazil ranked 9th in the G20, budding entrepreneurs still experienced difficulty accessing funds; faced huge business start-up costs; and needed an average of 119 days to register a business (G20 recommended average is 20). Unsurprisingly, in 2012 only four businesses registered formally with the Brazilian government (G20 recommended average is 32) (Ernst and Young, 2013a).

The effectiveness of government reforms in Brazil is evidenced by online portals for ethnic and social groups to uplift underprivileged communities and boost the entrepreneurial spirit. In 2017, nearly half of all new businesses were women-owned. Furthermore, the Brazilian government spends about 5.51% of its GDP on education, more than the recommended G20 average of 4.77% (Ernst and Young, 2013a). Nevertheless, tertiary enrolment remains extremely low at 27.5% compared to the G20 average of 53.5% (Ernst and Young, 2013a).

Statistical evidence shows that informal entrepreneurial activities contribute 1.8% of GDP and 5.8% of the total annual national GDP (Miller, 2012). This importance is reflected in the GEM report (2017) which shows the total early-stage entrepreneurial activity (TEA) at 19.6% while the opportunity-based activity is 62%. Clearly, the high investment in education contributes positively to entrepreneurship success and economic growth in Brazil. In terms of entrepreneurship, women run 30% of small businesses in Brazil; and from 2001 to 2011, female entrepreneurs in Brazil grew by 21.4% (Stewart, 2013). Still, the strategy of empowering women through economic growth and development remains difficult. Though ahead of other BRICS nations, it ranks 10 (at 53.3%) out of 20 countries for the overall environment for women entrepreneurs who face high business operating risk (among other challenges) (Economist, 2013). Furthermore, although various initiatives involving the public and private sectors are in place to improve business environments, the implementation processes are poor, and few programmes target women entrepreneurs. Unsurprisingly, gender differences remain high concern issue-areas for Brazilian women entrepreneurs (Miller, 2012).

Recent trends in South Africa and Brazil as BRICS countries suggest that deregulation of product and labor markets can lead to significant increases in transformational entrepreneurship. However, ascertaining effective ways to stimulate transformational entrepreneurship requires more work and research to advance a deeper understanding of the subject (Schoar, 2010). Brazil’s simultaneous experiences of remarkable democratic consolidation and economic stabilization through entrepreneurship have profound lessons for South Africa, including challenges concerning engendering inclusion and entrepreneurship culture.
An entrepreneurial and innovation conceptual framework needs further development to improve socio-economic conditions. This framework should take a holistic and process-oriented approach to entrepreneurship with interaction from all relevant stakeholders (Knudson, Wysocki, Champagne and Peterson 2004).

Conclusion

Clearly, BRICS countries are playing major roles in embracing and innovating new and alternative paradigms globally and within their various regions. The championing of women entrepreneurial activities by Brazil and South Africa provides insights into government role as strategic change-agents for transformative social development through women’s empowerment/entrepreneurship. This often entails state-driven enhancement/support of opportunities for entrepreneurship, economic growth and women/race-based empowerment (Scerri and Lastres, 2013). From the assessment, both economies can learn from each other; Brazil can learn from the South African tax and regulatory system while South Africa can learn from Brazilian empowerment policies and practices.

To maintain its bellwether position within Africa on equity and social justice issues, South Africa needs to revisit/ rework its policies, strategies, and implementation of women entrepreneurship programmes for women’s economic empowerment and national development. Women entrepreneurs shape and redefine work places, business networks, financial institutions, and culture, overall, they fuel modern-day economies. Fair access to funding, awareness of financial issues, and proximity to finance providers are factors that impede the success of women entrepreneurs in South Africa. Lessons from Brazil show that irrespective of regional challenges, continuous efforts from governments in ensuring productive environments for start-ups, investments in education, and coordinated support initiatives (through non-governmental organizations, the UN Women’s empowerment initiative, use of e-business), can contribute to entrepreneurial success and economic growth/development. Therefore, the onus is on the South African government to study these programmes, revisit existing policies, and strengthen implementation strategies to enhance domestic entrepreneurial activities. It is important for the government to acknowledge that the nature of entrepreneurship has shifted from being necessity-based to more advanced/globalized opportunity-based entrepreneurship where education contributes to Total Early-Stage Entrepreneurial Activity success.
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