

# THE STATUS OF WOMEN IN SOUTH AFRICA

*A preliminary report incorporating the findings of consultative  
roundtable discussions on Women Empowerment in South Africa*



As part of the project entitled

## **JOINING FORCES FOR GENDER EQUALITY AND INCLUSIVE DEVELOPMENT**

October 2011

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## 1. Introduction

The importance of working with broader society in developing and articulating plans for stimulating the growth of South Africa's economy, reducing poverty and improving the quality of life for all South African citizens has been stressed by a number of institutions and organisations in South Africa. This was also done in the National Planning Commission's (NPC) Vision and Diagnostic Report in June 2011, which outlined key issues that are inhibiting the achievement of inclusive growth and ideals identified in the Constitution. To address these issues and engage in broader dialogue, various stakeholders and broader social partners are being engaged in dialogue for inputs into the Report.

One of the key issues raised by the NPC Report is the need to achieve an inclusive and just society. Gender inequality continues to be a challenge, though much progress has been achieved in integrating women in key decision making roles in government but to a limited extent in the corporate sector.

In the spirit of promoting a shared understanding of the challenges and commitment to finding new solutions, platforms of dialogue need to be created to engage women and corporate leaders in various sectors to identify their needs, challenges but also opportunities and successes to feed into policy making decisions. This report forms part of the greater project entitled "Joining Forces for Gender Equality and Inclusive Development" in South Africa. It provides a brief analysis of the challenges raised in the NPC Report. It then provides an overview of the structure and drivers of growth of South Africa's economy and the role that women have in the economy, supplemented by a brief social and demographic trend analysis. The policy environment on women empowerment is then elaborated on, which is followed by some of the high-level success stories and progress made in South Africa in terms of women, including emerging challenges and concerns. This is supplemented with an analysis of the various sector charters, proposed targets of such charters and industry-specific progress towards meeting such targets. The report also contextualises the South African situation vis-à-vis selected developed country, emerging market and African peers. The latter is of particular interest as the study undertaken will form part of the ongoing work being done on the African Union's "African Women's Decade: 2010-2020" and thus extending the framework to other African countries – as well as emerging market peers and industrial countries.

The final section draws on the high-level challenges and proposed ways forward based on the critical platform that has already been formed in terms of taking the economic empowerment of women forward in South Africa and drawing on two consultative workshops.

## 2. Key Issues and Aspects of the NPC Diagnostic Report: The Role and Status of Women in South Africa

The National Planning Commission's Diagnostic Report, written in 2011, highlights key challenges faced by South Africa on its path to an inclusive and just society as stated by the Constitution. Although gender issues are not the sole focus of the report, the challenges listed in the report indirectly affect gender equity. These challenges explain the reasons behind some of the shortfalls in gender policy and ways in which the government, civil society and gender-activists can develop gender and empowerment policy to ensure these indirect obstacles are not neglected. After 17 years of democracy and a Constitution that promotes equality for all persons, there still is widespread poverty and extreme inequality in South Africa. Increased focus by the government to tackle these issues by upping economic growth and household incomes through greater employment creation have been put forward, most recently in the New Growth Path (NGP) (which targets the creation of 5 million new jobs) and the Industrial Policy Action Plan 2 (IPAP2). However economic growth is not the sole factor that can help South Africa transform the Constitutional values into reality, a number of aspects of human development factors need to be improved.

### High levels of unemployment and the role of women

An important obstacle to the achievement of gender equality in South Africa is the high level of unemployment which has been caused by historical factors such as economic stagnation during the time of apartheid, years of racial and gender discrimination as well as recent factors such as the global economic downturn in 2008. Employment increased between 1997 and 2008 with job creation resulting from the trend of growth amongst emerging economies. However this growth was not enough to benefit poor households, many of which have high dependency ratios with few earners supporting many family members. These households therefore live close to or below the poverty line.

### Inadequate levels of education

In a report titled *Taking Action: Achieving Gender Equality and Empowering Women* the UNDP states that secondary and higher levels of education is an important 'vehicle for transforming attitudes, beliefs, and entrenched social norms that perpetuate discrimination and inequality'. As noted in the NPC's report, South Africa's public education system has severe inefficiencies and hinders poverty reduction, development and gender equity. It is especially the poor **quality** of education that remains challenging, with low literacy and numeracy test scores in schools with poorer students. Some of the reasons for this low performance include a lack of funding from the government in schools in poor communities, as well as low literacy among parents, poor nutrition, household violence and structural problems such as the curriculum and inadequate support for teachers. Education can lead to more employment opportunities, increased income prospects and more resources at the household level. Therefore the poor quality of public education in South Africa is an obstacle for women's empowerment and limits their ability to gain future employment opportunities.

### **Women empowerment and the need for efficient and enabling infrastructure**

There is a lack of investment in economic infrastructure, and information and communication technology sectors in South Africa. According to the NPC, the government needs to work with the private sector to improve the efficiency of these sectors and ensure they have the capacity to increase economic growth and include marginalised groups such as women. The ability of women to empower themselves economically and politically through education, and participating in productive and civic activities, is hindered by the gender-based household division of labour and their responsibility for household tasks. Women who live in deprived areas have a greater burden as they must spend more time on these tasks due to a lack of infrastructure and related services in their communities. The most important difficulties women face in terms of a lack of infrastructure are energy, transport, water and sanitation which means that time is spent collecting fuel, fetching water, cooking and walking long distances for resources. The impact of an apartheid defined infrastructure continues to be a challenge as many people from disadvantaged areas have to spend a lot of time and money travelling to and from work. This adds to the challenges of promoting the role of women in the mainstream of the economy.

### **Resource exploration and the role of women**

South Africa's development path has historically relied heavily on exploitation of its abundant resources, and this legacy remains today. The result of this over-dependence means that South Africa is vulnerable to external forces such as international commodity price shocks. The emphasis on resource exploitation is also threatening the environment and South Africa's biodiversity. Although resource-exploitation contributes to economic growth, it is not gender-sensitive. This means that women are unable to benefit from some of the positive aspects of resource-extraction such as job-creation and the opportunity to participate in the economy. One example is the mining sector. The South African Mining Charter introduced in 2002, made a 10% target for women participation in mining by 2009, to redress the inequality in this sector. The target has been reached and there are now approximately 600,000 women miners in South Africa. However these numbers also include office personnel and cleaners, and female applicants in the core technical disciplines are uncommon.

### **Quality of life and healthcare infrastructure**

Other challenges the NPC Report highlights are the burden of disease and the flawed health system which poses a huge threat to development. There is a high rate of infant mortality (53 deaths per 1,000 live births in 2007), and this rate is unlikely to reduce to meet the internationally set target of 18 by 2015. The rate of maternal mortality was 625 per 100,000 live births in 2007, the international set target for 2015 is 38. These stark statistics illustrate the inability of the health system to support women and the difficulties they face during pregnancy and child birth.

The issues of race and gender remain the main divider in South African society. These two issues are inter-related with black women being one of the most marginalised and vulnerable groups of society in terms of receiving low quality education, suffering from unemployment and low-pay and a lack of

professional opportunities. Although there has been some progress in reducing discrimination, as many black South African men and women have high incomes and high profile occupations, this has not broadened to include all of society. The poor performance of some public services adds to inequalities and division in society as richer South Africans are able to afford better health care, education and security, removing resources and further weakening these services.

The South African government has made some measures to create a social consensus to eradicate poverty and break down societal divisions, but, it is evident that gender issues have not been prioritised as much in reality as in policy documents, delaying progress towards actual gender equity.

### **Inequity in earning capacity of women**

One of the founding principles of the South African Constitution is non-sexism. Gender activist groups and the Ministry for Women, Youth, Children and Persons with Disabilities work to improve the life of women. The government has produced a number of policies and legislation to enable women's empowerment. While successes are evident, as elaborated later on in this report, South Africa still carries elements of a patriarchal society. On average women still earn less than men there still is the expectation that the role of women be restricted to child care, caring for the sick, and fetching water and fuel, rather than being economically productive and employed, and engaging adequately with the broader economy.

### **Patriarchal culture and violence against women**

There are also still many cases of violence against women and a high rate of sexual offences. According to the Medical Research Council (MRC) estimates in 2009, one in four women experiences physical violence at some point of her life, and a national study of female homicide showed that a woman is killed every six hours by her intimate partner. This is not the full reality of the vulnerability of South African women. In 2002 MRC estimated that 88% of rape cases go unreported

The NPC Report makes some recommendations as to how the government, civil society and the private sector should tackle the key challenges mentioned. More specifically in terms of gender equity, the report recommends that decision-makers should focus on creating jobs and increasing access to the social wage, improving education, enabling career mobility and entrepreneurship, in order to increase the number of women participating in the economy. The government needs to develop tools to enable women to be empowered and have more opportunities despite the restrictions of a traditionally patriarchal society. The report also emphasises that leaders and citizens need to commit to a bold, long-term programme that goes beyond short-term personal or political gain to build a better future.

### 3. Drivers of Growth in South Africa and the Roles of Women

Since the country's first democratic elections in 1994, South Africa has moved out of almost two decades of stagnation – a period characterized by high unemployment levels under the apartheid policies in place, stagnant demand and thus low economic growth. Between 1980 and 1994, the country's growth experience was low, at less than 1% per annum. Since then, the economy has been on a mixed growth path, with real economic growth – guided by sound fiscal and monetary policies – averaging about 3.3% per annum.

Today, South Africa represents a key emerging market economy, following the invitation to join the BRIC (Brazil, Russia, India and China) club of countries in December 2010. The BRIC countries were predicted by Goldman Sachs economist Jim O'Neill to become the eventual pillars of the global economy in a seminal piece back in 2003. South Africa is also the economic powerhouse of the African continent, representing 30% of Africa's gross domestic product (GDP), about 40% of industrial output, 45% of mineral production and more than 60% of Africa's electricity generation.

Decreasing by 1.7% in 2009, partially as a result of the adverse effects of the global financial crisis, South Africa's economy recovered in 2010, with growth of 2.8%. 2011 and 2012 are forecast by the International Monetary Fund (IMF) to see a growth rate of 3.4% and 3.6% respectively – still however trailing the global growth average, which has been spurred on by buoyant growth in major emerging markets, such as China (+9% growth).

#### Real GDP growth, % (1993-2013f)



Source: Stats SA, IMF, 2011

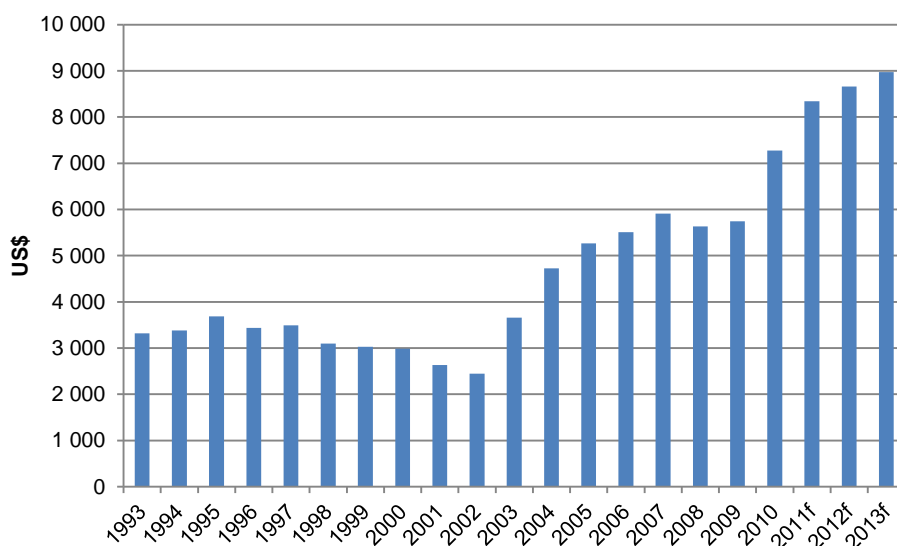
Inflation, after stabilizing in the 2010 and 2011 period, is expected to increase in 2012 and 2013 on the back of increasing electricity and wage costs. At 4.3% for 2010, inflation has moderated from 2008's 11.5% and 2009's 7.1%. At 5%, this year's inflation rate forecast falls within the Reserve

Bank's inflation target band of 3-6%, and presents policy space for looser monetary policy to spur on economic growth. A lower interest rate environment is also one of the goals of the Ministry of Economic Development and forms part of South Africa's New Growth Path (NGP) framework – along with economic growth, increased investment in infrastructure, a review of the Black Economic Empowerment (BEE) system and the promotion of a more competitive South African rand.

Despite averaging 3.5% over the past ten years, South Africa's growth has been less robust than that of its African counterparts, who have however come from a low base of economic activity. Sub-Saharan African countries, as per the figure above, have displayed vibrant and rapid growth rates, linked generally to stable macroeconomic environments, rising commodity prices with oil extraction a key driver of growth and investment focus, as well as a growing consumer class. While South Africa is a major contributor to Africa's GDP, this position is expected to be rivalled by the most populous country on the continent, Nigeria, in the next decade.

As an upper middle income country, South Africa's GDP per capita ranks relatively high to its African neighbours. The lowest GDP per capita over the last decade was recorded in 2002 and was US\$2,445. It has since improved, apart from a slump in 2008 when it fell from US\$5,973 in 2007 to US\$5,661 on account of the global financial crisis. The country's GDP per capita is expected to reach US\$8,935 by 2015. In nominal terms, this compares to countries such as Mauritius and Romania.

### GDP per capita, current US\$ (1993-2013)



Source: IMF, 2011

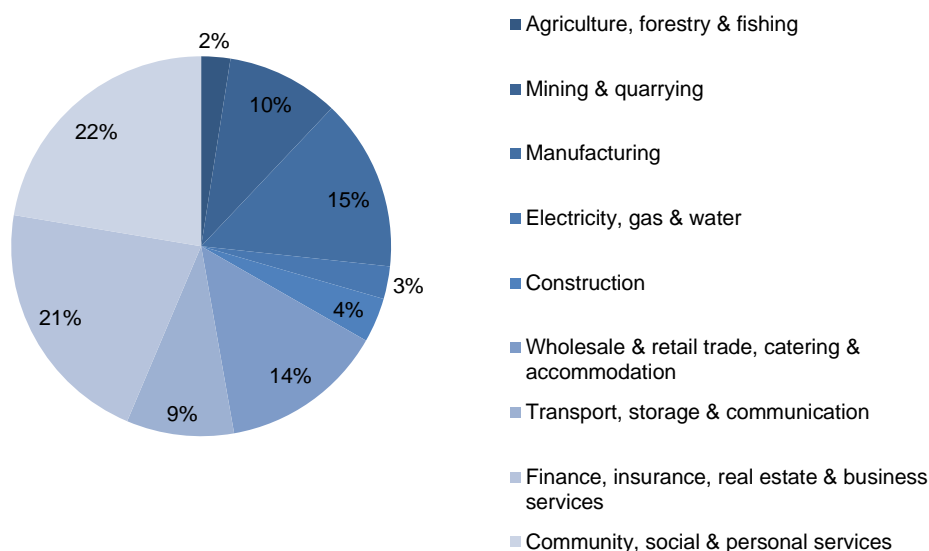
Although hidden in these figures, the skewed distribution of income is a real concern to the sustainability of the country's growth path going forward. As noted in the NPC's Report, "the distribution of income [...] did not change significantly between 1995 and 2005. The poorest 20% of the population earns about 2.3% of national income, while the richest 20% earns about 70% of the



income". High inequality is a function of the high structural unemployment and joblessness challenges, especially the limited opportunities for younger and new entrants into the labour market. With a population of 51 million, the population of working age (15-64 years of age) is about 32 million highlighting the high youth demographic in the country. Of these 32 million, the labour force participation rate is only about 54%, of which about 13 million persons are employed. This results in an unemployment (narrow) rate of about 25%, but increases substantially to closer to 40% when discouraged job seekers are included. Given these challenges, the need for creating more and better jobs is outlined in recent strategy and policy documents such as the NGP and IPAP2.

As the largest economy on the continent, the country has a sophisticated business environment. South Africa is the easiest place to do business when compared to its African peers, with well developed infrastructure, sophisticated markets, institutions and regulations. According to the World Bank's *Ease of Doing Business* 2011 report, South Africa was ranked 34<sup>th</sup> out of 178 countries in 2010. It also ranks as the most competitive country in sub-Saharan Africa, at a global ranking of 50<sup>th</sup> out of 142 economies, and up four places from its 2011 ranking, in the World Economic Forum's *Competitiveness Report* of 2011-12.

#### Composition of South Africa's economy (2005 constant prices), % share (2010)



Source: Stats SA in SARB Quarterly Bulletin, September 2011

The composition of the South African economy reflects its business sophistication, with more than two thirds of the economy being service-based. As such, key sectors include the financial services, real estate and accommodation sector that constitutes about 22% of GDP. This is followed by government services and manufacturing – both at 15%. Mining and quarrying contributes 10% to GDP – with the country continuing to exploit its mineral reserves that formed the backbone of the economy

historically. The economy has diversified significantly since then as is evident. Other sectors, such as construction constitute 4%, and energy & water make the lowest contribution at 2%.

Yet the **mining** sector still contributes about 10% of GDP, and is a major source of foreign exchange earnings and a contributor of capital inflows. It has also underpinned parts of South Africa's growth since 2003 given the global commodities boom, but only employs about 2% of the employed population. Power shortages though and rising energy prices have and will constrain mining production going forward. With the recovery of international commodity prices following the global financial crisis driven by escalating resource demand from emerging markets such as China and India, the sector though continues to be biased towards the export of raw resources and an emphasis on greater value addition has been made in policy documents such as IPAP2. Greater local beneficiation and job creation in South Africa's engagement with emerging markets such as China that are underpinning the demand for commodities globally and looking to secure commodity investments and offtake agreements will need to become more evident.

The **agricultural** sector has been on the decrease as a share of GDP, in line with the advancements of the South African economy over the past decades. Together with forestry and fishing it now contributes about 2% to GDP, which is in contrast to South Africa's African counterparts that are largely agricultural based economies. The sector is dual in nature, with a vibrant commercial farming sector as well as subsistence farming in the more rural areas. With a great biodiversity and a wide range of agricultural activities and expertise, but limited by emerging water constraints and climate change, the sector has seen marginal growth in the past few quarters and employs about 5% of South Africa's employed labour force. The agro-processing industry, is also quite diverse, and spans across various sectors, including aquaculture, wines and processing of natural fibres. The counter-seasonality to Europe and vast diversity of products make South Africa a key player in agro-processing.

Good infrastructure, especially relative to the inadequate infrastructure evident on the rest of the continent, has been a pivotal component to the development of the economy. But in order to support sectors such as the mining industry, agricultural value chains and other activities, greater investment in economic infrastructure as well as the maintenance of this is required. A vibrant and internationally renowned **construction** industry constitutes about 4% of GDP, and to meet public and private sector growth targets, the construction industry will have to up its growth trajectory. Road, rail and air upgrades have all received a considerable amount of investment in the run-up to the FIFA Soccer World Cup in 2010, but continued investment in infrastructure needs to continue being a priority, particularly in addressing poorly located and inadequate infrastructure that limits economic growth opportunities.

**Transport, storage and communication** contribute about 9% to GDP in 2010. Communications especially has been a key growth driver in South Africa, with rapid rollouts of mobile services across

the country resulting in a mobile penetration rate in excess of 90%. This has also included the participation in the rollout of optical fibre undersea cables around Africa to cater for increasing information and communication demands. In terms of ICT, South Africa has become a key outsourcing hub and ICT companies have also grown their Africa footprint. But the sector continues to be hindered by limited bandwidth as well as a high pricing environment.

South Africa has a sophisticated and internationally recognized **financial, insurance, real estate and business services** sector that has contributed just over 20% to South Africa's GDP over the past years. It has been a key driver of economic growth boasting a plethora of domestic and foreign institutions that provide services ranging from commercial, retail and merchant banking, mortgage lending, insurance and investment. The banking sector is vibrant and ranks well internationally, on par to that of industrial countries. Focusing on merchant, investment and retail banking, the sector is dominated by the "Big Four" banks in South Africa, a number of which have bullish expansion plans into the continent. The sector is also a key sector of employment at about 13%. While a great share of the employees in the sector are also women, a key challenge is promoting the roles of women in the decision making levels of the institutions.

The **wholesale and retail, catering and accommodation** sector contributes around 14% to GDP. In the midst of the global financial downturn, South African retailers continued to record good results as consumption driven economic growth has seen continued growth figures for a number of retailers. The trade sector is the largest employer at more than 22% and thus also a key sector for women, who account for about 47% of the persons employed in the sector. The catering and accommodation industry has been spurred on by the tourism sector, and this sector has been earmarked as a leading growth industry in South Africa. Direct and indirect employment from the tourism industry in South Africa is estimated to contribute about 7% of employment in the country. The sector compliments the country's resource, environment and cultural wealth.

**Manufacturing** is another key contributor to GDP in South Africa. At about 15% in 2010, the sector is established and diversified but needs to position and gear up in order to continue to compete in the global environment of business. A number of manufacturing subsectors have been earmarked as part of the government's NGP as key drivers of growth and employment creation, such as the agricultural and mining value chains, but also sector priorities under IPAP2. New areas prioritized under IPAP2 include the green economy, energy, agro-processing, boat building, as well as metal fabrication, capital and transport equipment. Other sectors that have been earmarked as targets for scaling up include the autos and component sector, downstream mineral beneficiation, plastics, pharmaceuticals and chemicals, as well as clothing, textiles, footwear and leather. The automotive subsector is an important contributor to manufacturing and has been a platform in terms of parts sourcing and production for a number of leading multinational auto companies. Another subsector is the chemicals sector, which showcases South Africa as a leader in the coal- and gas-to-liquid technologies, spanning from an isolated history and need for energy self-sufficiency, with companies such as Sasol

at the forefront of this. While the upstream sector is well developed, room for progress in the downstream sector exists. Metals production, such as primary iron and steel products, also constitute important economic activities and are linked to the resource wealth and supportive infrastructure. The clothing, textiles and footwear industry continues to be small and faces structural challenges. The sector has been a key employer and earmarked to be one going forward but has seen competitive pressures by more low-cost and efficient producers in Asia, especially China. As such, the competitiveness and sustainability of the industry has been questioned. Altogether, the manufacturing sector is one of the top four largest sectors employing about 13% of the work force.

**Community, social and personal services** have contributed 22% to GDP in South Africa. The sector is the largest employer of women by absolute numbers: nearly 30% of South African women are employed in the sector. Women also constitute 58% of the persons employed in the sector, which includes education and training, health, entertainment and sports, as well as public administration, social work, protection and culture. The educational sector, which receives major fiscal support and has increased the quantity of educated learners over the last years, continues to lack on the quality of education provided, especially for poorer and black South Africans. Similarly, a massive disease burden given the dysfunctions in the ailing public health system, has severe implications for the health of the workforce. With regards to the public sector, overall and as noted by the NPC Report, the performance is uneven.

#### Employment by industry and sex, % share (April – June 2011)



Source: Stats SA, 2011; Frontier Advisory analysis

Sectoral drivers of growth have varied. The services industry experienced high growth in the mid-2000s, but going forward, this is expected to be led by the industrial sector. Given the below table, consistent sectoral growth drivers in the past few quarters have included the mining sector, recording 9.7% y/y growth in Q2 2011, wholesale & retail at 3.9% in Q2 2011, transport and communications at

3.7%, and, although dipping at 0.8% in Q2 2011, the manufacturing sector saw consistent growth over the three previous quarters of 4-5%. Sectors that have been underperforming include construction and agriculture.

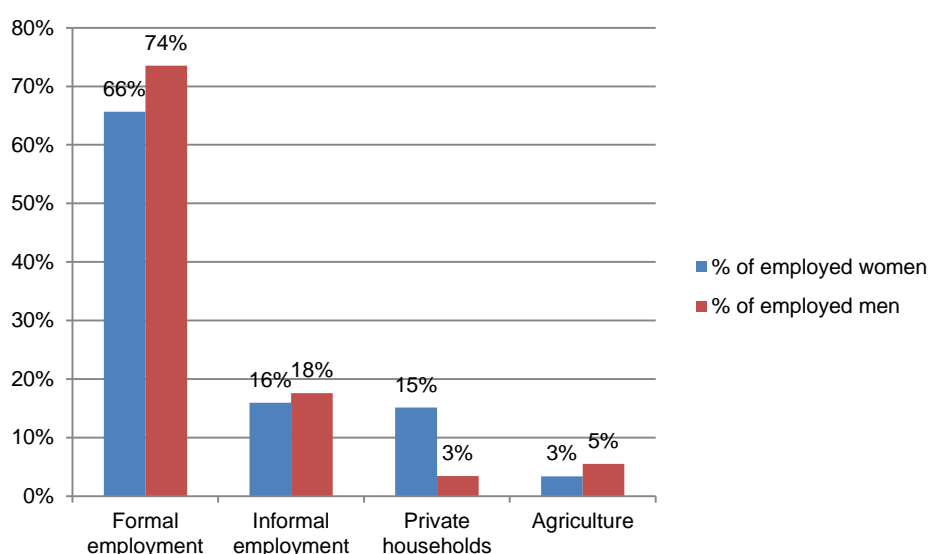
### Real GDP growth by sector, % change, year on year (Q3 2010 – Q2 2011)

	Q3 2010	Q4 2010	Q1 2011	Q2 2011
Finance, real estate & business services	0.4	3.6	3.1	2.8
Manufacturing	4.7	3.9	4.9	0.8
Government services	2.7	3.2	3.2	3.4
Wholesale & retail trade	3.0	3.8	4.3	3.9
Transport & communications	3.4	3.8	3.8	3.7
Mining	6.5	10.9	2.5	9.7
Personal services	0.8	1.0	2.9	3.6
Construction	1.3	1.2	0.5	0.2
Agriculture	-0.8	0.6	1.0	0.6
Power & Water	1.2	1.9	1.5	1.8
GDP growth	2.7	3.8	3.5	3.0

Source: Stats SA in EIU, 2011

Despite the turn-around in economic growth following 1994, a number of challenges continue to plague South Africa's economic fortunes and prevent the country from reducing inequality and marginalization of the poor, wide-spread poverty levels, and to achieve full employment. Unemployment remains a major problem as does the skills shortage in a number of key industries such as mining, healthcare and education, but also the inflexibilities and inefficiencies in the labour market. The structural unemployment incidence has particularly affected women, with two out of three women reported as being discouraged.

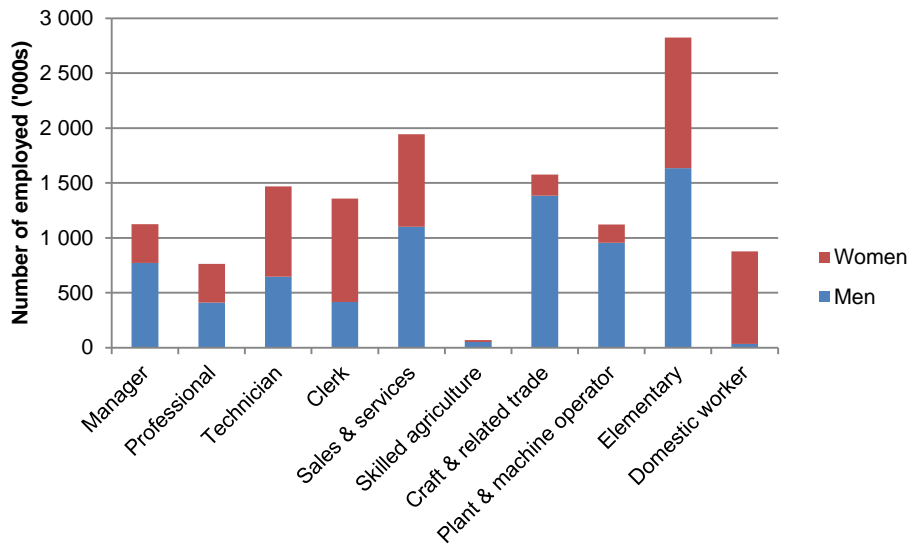
### Labour force characteristics (April – June 2011)



Source: Stats SA (2011)

Policy measures in order to create an enabling environment and state-driven developments towards more inclusive and labour-intensive growth have already been on the government’s agenda. In order to accommodate all job seekers into decent work opportunities, economic growth rates would have to almost double to closer to 5-6% per annum. As per the below graphic, women still lag men in terms of the share of employed women versus men in formal employment. This includes a significant lag of women in terms of women managers and professionals, with women concentrated in low-paying occupations. Black women especially are employed in low-paid jobs. Economic empowerment of previously disadvantaged groups remains a focus area for government and has formally been introduced as a policy as discussed in this report.

**Employment by sex and occupation (April – June 2011)**



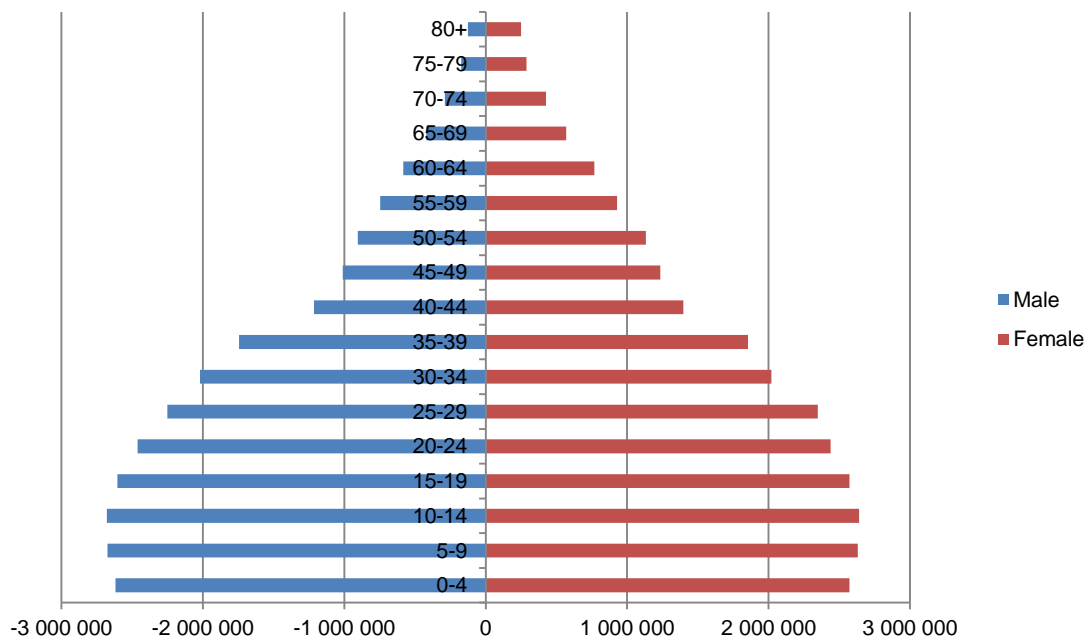
Source: Stats SA (2011)

#### 4. Social and Demographic Trends

At almost 51 million persons, South Africa is the 24<sup>th</sup> most populous country in the world, ranking fifth in Africa, and second in the Southern African Development Community (SADC), after the Democratic Republic of the Congo. The country displays a relatively young population with more than 51% under 25 years of age. This population cohort in absolute numbers is dominated marginally by men, and as a share of the male population, 53% are under the age of 25 years. This is less for the female population at 49%. The predominantly young population grouping holds promise for the future human capital and productive workforce of the country and can potentially be a demographic dividend. It just as much stresses though the importance of sustainable employment creation especially for the younger age cohorts in order to prevent youth unemployment and the resultant adverse measures that are associated with this.

The population distribution also highlights the size of the working age population. About 64% of the population is between the ages of 15 and 64 and considered to be of working age. This is roughly equal for men and women. This is much higher than South Africa's African counterparts, where the working population constitutes about 54% of the total population, and more in line with the Middle East & North Africa, East Asia and Latin American regions. But in South Africa a great share of the working population is youths and concentrated (almost 60%) in the 15-34 year age group especially. The median age of the population in 2010 was 24.9 years.

#### Population estimates by sex and age group (as at mid-2011)



Source: Stats SA, 2011

The United Nations' Human Development Report further provides social indicators for South Africa.

The 2010 Human Development Index (HDI) ranks South Africa in 110<sup>th</sup> position, out of 169 surveyed countries. In terms of the Gender-related Development Index (GDI) for 2008, South Africa ranked 82<sup>nd</sup>. In 2008, expectancy at birth of females (53 years) was three years longer than males, with adult literacy of females in the same year though trailing that of males, at 88% versus 90%.

According to the UN HDR, the dependency ratio has declined over the past two decades, and has moderated to 53.6 per 100 persons (aged between 15 and 64 years). While this is in line with developed country figures, industrial countries tend to have an upside down population pyramid and a greater share of aged population making up this dependency ratio. Similarly, it is estimated that 44.4% of the employed population lived on less than US\$1.25 per day between 2000 and 2008. The population growth has slowed from about 2.4% between 1990 and 1995 to about 1.2% between 2001 and 2010 (with the population growth rate of women below that of men), and could slow closer to 0.5% by 2015. This is far below the growth rate of Africa's population at an annual growth rate of 2.4%, which, if sustained, would double Africa's population in the next 30 years.



## 5. The Policy Environment

The mandate for women's empowerment and gender equality in South Africa is derived principally from the Constitution (1996). The *South African Bill of Rights*, as captured in Clause 9(1), (3), Chapter 2 of the Constitution, states that "everyone is equal before the law and has the right to equal protection and benefit of the law; the state may not discriminate against anyone on the grounds of race, age, gender sex, pregnancy, marital status...".

South Africa is signatory to a number of international conventions and agreements relating to gender equality, that provide clear goals and indicators for gender equality. Some of these include the following:

- *The United Nations Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), 1979*
- *The Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa*
- *The SADC Gender and Development Protocol, 2008*
- *The Beijing Platform for Action*
- *The UN Millennium Development Goals*

These conventions and agreements commit countries that have adopted them to undertake a series of measures to end discrimination against women and to incorporate the principle of equality of men and women in their legal system. As a UN Member, South Africa is periodically required to report on its performance and compliance in terms of these agreements.

### ***The UN Convention on the Elimination of All Forms of Discrimination against Women (CEDAW)***

Adopted in 1979 by the UN, CEDAW is in effect an international bill of rights for women. It defines what constitutes discrimination against women and follows an agenda for action to end such discrimination.

The Convention defines discrimination against women as "any distinction, exclusion or restriction made on the basis of sex which has the effect or purpose of impairing or nullifying the recognition, enjoyment or exercise by women, irrespective of their marital status, on a basis of equality of men and women, of human rights and fundamental freedoms in the political, economic, social, cultural, civil or any other field."

By accepting the Convention, States commit themselves to undertaking a series of measures to end discrimination against women in all forms, including:

- incorporating the principle of equality of men and women in their legal system, abolishing all discriminatory laws and adopting appropriate laws prohibiting discrimination against women;
- establishing tribunals and other public institutions to ensure the effective protection of women

- against discrimination; and
- ensuring elimination of all acts of discrimination against women by persons, organizations or enterprises.

### ***Protocol to the African Charter on Human and People's Rights on the Rights of Women in Africa***

The African Union adopted the *Protocol to the African Charter on Human and People's Rights on the Rights of Women in Africa* in 2003. The Protocol promotes and protects the rights of women through providing a comprehensive legal framework for holding African governments accountable for violating women's human rights on the continent.

The adoption of the Protocol was pushed by widespread sentiment that African women continue to suffer human rights violations and that the existing guarantees for the protection of their rights are inadequate.

### ***The SADC Gender and Development Protocol***

Adopted in 2008, the SADC Protocol on Gender and Development is a legally binding agreement compelling SADC Member States to expedite efforts towards gender equity in the SADC region. The Protocol sets the following targets for achieving gender equality in governance:

- A target of 50% in all areas of decision-making by 2020, with an incremental approach adopted by each country.
- All members are to take measures to ensure the effective participation of women in decision-making, and are to adopt indicators for achieving this.
- Elaborate on a multi-faceted approach to capacity building that includes empowering women, as well as engaging men.

### ***The Beijing Platform for Action***

The Beijing Platform for Action is an agenda for women's empowerment developed by the UN. It aims at accelerating the implementation of the *Nairobi Forward-looking Strategies for the Advancement of Women* and at removing all the obstacles to women's active participation in all spheres of public and private life through a full and equal share in economic, social, cultural and political decision-making. This means that the principle of shared power and responsibility should be established between women and men at home, in the workplace and in the wider national and international communities.

### ***UN Millennium Development Goals – Goal3: Promote gender equality and empower women***

The Millennium Development Goals, specifically Goal 3 tracks key elements and indicators of women's social, economic and political participation and guides the building of gender-equitable societies. Target 3.A. of this goal aims to eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education by no later than 2015. Girls' education is critically linked to self-determination, improved health for mother and child, and elevated social and

economic status. Despite this, girls still account for 55% of the out-of-school population in the world.

Achieving these goals will be impossible without closing the gaps between women and men in terms of capacity, access to resources and opportunities, and vulnerability to violence and conflict.

These rights-based international and regional instruments feed into South Africa's mainstreaming strategy of the National Gender Machinery which published the National Policy Framework on The empowerment of women and Gender Equality, giving effect to these commitments.

### ***South Africa's National Policy Framework for Women's Empowerment and Gender Equality***

South Africa's National Policy Framework for Women's Empowerment and Gender Equality was formulated by the Office on the Status of Women (OSW) and was adopted by Cabinet in December 2000. The framework elaborates on values and principles which form the foundations of the National Gender Programme. The framework states that these principles needed to be integrated into the policies, practices and programmes of government to ensure the achievement of gender equality. Following the end of apartheid, in 1996 the Bill of Rights of The Constitution of the Republic of South Africa outlined the fundamental principle that the new democratic society had to respect and promote the rights of all its citizens indiscriminately, regardless of race, gender, class, age or disability. In order to ensure institutions paid attention to gender mainstreaming in policy-making, a *National Gender Machinery* was established.

South Africa's National Gender Machinery was made up of several elements such as the *Office on the Status of Women (OSW)*, the *Commission on Gender Equality (CGE)*, the *Parliamentary Joint Monitoring Committee on the Improvement of the Quality of Life and Status of Women (JMC)*, and several gender-focused NGOs. The National Policy Framework attempted to define the roles of these groups, and was adopted five years after the National Gender Machinery was set up. Preceding the publication of this framework, there was uncertainty as to the mandates of provincial and national offices of the OSW and the CGE. These organisations were also constrained by insufficient financial and human resources.

The aim of the Gender Policy Framework was to take a significant step in striving for gender equality by enhancing the influence of the National Gender Machinery, strengthening the voice of women in civil society, in Parliament and in other organisations so that gender blind laws and policies continue to be challenged. The framework also intended to enhance the work carried out by bodies within the National Gender Machinery; and aimed to add momentum to the implementation of South Africa's commitment to the agenda for women's empowerment, the Platform for Action, which was adopted after the World Conference on Women in Beijing in 1995.

The framework stated that its success would be reflected in the ability of government to progress to gender equality in an 'integrated and co-ordinated manner' and that the result should be a 'fairer and

transformed society’.

In May 2009, the Ministry of Women, Children, Youth and the Disabled was established under President Jacob Zuma. The fact that this ministry encompassed many marginalised groups, as well as women, has raised concerns among gender activists. The establishment of the ministry is perhaps an indication of the shortfalls of the framework. The ambitious objectives of the framework are outlined at the outset of the document – these included: the ability to translate government commitment to gender equality into reality; to set up ways to empower women in all aspects of work, throughout government and within broader society – gender is considered in all aspects of government policies and actions; and to institutionalise this framework and promote a change in attitude to correspond with this new policy.

#### *Promoting the role of independent organisations*

The framework also outlines the roles of the independent bodies within the National Gender Machinery. The Commission on Gender Equality (CGE) is, for example, an advisory, consultative and research body to monitor the practices of other organisations and to develop education programmes while the role of the Youth Commission works to harness the potential of young women and young men; and the South African Law Commission is involved in legal research and legal reform.

The Gender Policy Framework establishes guidelines for South Africa to take action to reverse the history of marginalisation of women, and by defining new terms of reference for interacting with each other in both the private and public spheres. It proposes an institutional framework that facilitates equal access to goods and services for both women and men, and emphasises that gender issues should be considered throughout policy design and implementation. The framework recognises that discussions over development issues have a tendency to neglect gender issues until the ‘hard core issues’ have been addressed. The framework attempts to ensure that the process of achieving gender equality is at the very centre of the transformation process in South Africa within all the structures, institutions, policies, procedures, practices and programmes of government, civil society and the private sector.

#### *Monitoring of the framework*

The framework highlights that monitoring and evaluations techniques need to be enhanced to observe whether the National Gender Machinery is progressing towards the achievement of its goal of gender equality. It states that the primary indicators are: an improvement of women’s access to resources for economic development; women’s earning power and their involvement in the economy; reduction of female vulnerability to poverty, HIV/AIDS and violence; the level of female participation in political decision-making; and women’s access to professional opportunities. These points are also emphasised in Department of Social Development report “Towards a 10-year review of the population policy implementation in South Africa”, published in 2009.

### *Equal rights regarding access to necessities*

Women and men should have equal rights and access to education, health, housing, employment and other necessities. One important right for women is education, as it is a platform to enable women to participate in the economy, it creates opportunities for them to lift their families and communities out of poverty. In 1999 17% of African women aged 20 years and older had not received formal education compared to 12% of African men. Some of the obstacles which contributed to higher secondary school drop-out rates amongst girls included: unplanned pregnancies, domestic responsibilities, and the increase of child-headed households as a result of the effects of HIV and gender stereotypes.

The critical nature of education in women's empowerment is emphasised in international and regional agreements such as the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW) signed in 1996, and the SADC Protocol on Gender and Development in 2008. In 2000 the government published a "Manifesto on Values, Education and Democracy" which contained strategies to promote values such as equity, non-racism and non-sexism within the education system. In 2003 the South African Minister of Education launched the Girls' Education Movement (GEM), this works to give children a voice to an opportunity to participate in decisions that affect their education and family-life.

A report by the Children's Institute at the University of Cape Town in 2010 showed that progress has been made in terms of gender equity in education. In 2008, South Africa had a combined gender parity index (GPI) of 1.01 for primary and secondary schools, showing that a similar number of female and male students are enrolled in the education system. In the same year, the GPI for secondary school level was 1.06 showing that there were more female students. Despite these statistics female students are at higher risk of experiencing violence and abuse in school. A report by the Centre for Justice and Crime Prevention found that 5% of girls at secondary school were likely to have been sexually assaulted or raped.

### *Equality of opportunity in decision making*

There should be equality of opportunity in the inclusion and participation in the political, social, economic and cultural development of South African society. Women's access to political power and decision making has improved since the 1994 elections. In 1997, the SADC Head of States Declaration on Gender and Development set a minimum target of 30% of women in decision-making positions by 2005, which the South African Cabinet also adopted. This target was reassessed in 2008 and increased to 50% by 2020 by the SADC Gender and Development Protocol. As such, the representation of women in the South African Parliament has increased from 27.8% in 1994 to 43.3% in 2009. The representation of women in Provincial Legislatures also increased from 25.4% in 1994 to 42.4% in 2009 and after the 2006 local elections, female representation was 40%. This has been aided by the African National Congress's increase in the quota for female participation from 33% to 50%. But women continue to be greatly underrepresented at the corporate level. The annual Business Women's Association in South Africa census of women in corporate leadership indicates this,

although slow progress is evident to date, as indicated in following sections.

### *Equality in the labour market*

The framework states that women, especially black women, have low access to paid and formal employment, with many of those employed being found in poorly paid domestic labour and in micro-enterprises with low job security, as also indicated in the previous section. Gender discrimination has been removed from labour laws; nevertheless equality in female participation in the paid labour force has yet to be achieved.

Some legislation has been made to improve the participation of women in the economy. The Basic Conditions of Employment Act 75 in 1997 worked to improve the lives of vulnerable workers such as domestic workers and minimum wages were instituted for domestic workers in 2002. The Employment Equity Act in 1998 worked to promote equal opportunity in employment and women were declared as one of the designated groups. The Preferential Procurement Policy Framework Act No. 63 in 2003 provides a framework for measures in favour of women, black people and persons with disabilities.

### *Women's rights as equally protected as human rights*

The framework also dictates that women's rights should be protected as human rights. The framework distinguishes human rights as 'socio-economic rights' which includes basic necessities and 'political and civil rights' which includes rights to citizenship and religion. A large emphasis is placed on the role of government and civil society in working together to develop an environment in which the goal of gender equality can be attained. There is therefore a need for key government personnel who are skilled in gender analysis of policies. The framework strives to transform attitudes and behaviour within government and society to enable equality and meaningful participation.

South Africa established independent institutions which monitor the implementation of the equality legislation such as the Commission on Gender Equality (CGE) was established through the Commission on Gender Equality Act in 1996. The Joint Monitoring Committee on the Improvement of the Quality of Life and Status of Women is a permanent Parliamentary Portfolio Committee in the National Parliament and oversees Government's progress with meeting obligations to international agreements. Although there is a wealth of legislation to protect human rights of women, women continue to suffer gender-based violence. There are many cases of violence against women and a high rate of sexual offences. According to the Medical Research Council (MRC) estimates in 2009, one in four women in South Africa experience physical violence at some point of their life, and a national study of female homicide showed that a woman is killed every six hours by her intimate partner. This is not the full reality of the vulnerability of South African women as in 2002 the MRC estimated that 88% of rape cases go unreported.

Overall, there is an abundance of legislation that deals with the aspect of women empowerment, gender equality and equity, and the protection of women against discrimination in the workplace in

South Africa. These policies are summarised and described in the following chart:

Legislative Framework	Description
<b>Constitution of the Republic of South Africa, Act 108 of 1996</b>	Widely acclaimed as one of the world's most progressive Constitutions, asserts in its founding provisions that the democratic state is founded on values of human dignity, achievement of equality and advancement of human rights and freedom, non-racism and non-sexism.
<b>Reconstruction and Development Programme</b>	It is an integrated, coherent socio-economic policy framework. It seeks to mobilise all our people and country's resources toward the final eradication of <i>apartheid</i> and the building of a democratic, non-racial and non-sexist future.
<b>The Restitution of Land Rights Act of 1994</b>	States that priority should be given to people with the most pressing needs. Restitution may disadvantage women as the Act aims to restore Land rights to those who had rights before who are mostly men.
<b>The Social Assistance Act 13 of 2004</b>	The Act provides for the right of access to appropriate social assistance to those who are unable to support themselves and their dependants.
<b>The South African Social Security Agency Act 9 of 2004</b>	This Act provides for the establishment of the South African Social Security Agency, which is responsible for the administration, and payments of social grants. This is to ensure that the grants are benefiting the poor and the vulnerable.
<b>The Housing Act 107 of 1997</b>	The Act focused on repealing all <i>apartheid</i> -based legislation and prescribing general principles for housing development and administration.
<b>The Rental Housing Act 50</b>	The Housing Act puts emphasis on tenure and ownership, as there was a need for a co-ordinated policy. It was promulgated to introduce the option of rental housing.
<b>The Water Services Act</b>	It emphasises provision of free water services to the poor of which the majority are women.
<b>The Basic Conditions of Employment Act 75 of 1997</b>	It protects the historically vulnerable categories of workers like domestic workers and farm workers. Minimum wages were instituted for domestic workers in 2002.
<b>The Employment Equity Act 55 of 1998</b>	It is aimed at promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination and implementation of affirmative action, and women are declared as one of the designated vulnerable groups.
<b>The Labour Act of 1995</b>	The Act entrenches women's rights not to be discriminated against on the basis of sex, including not to be dismissed while on maternity. It also prescribes a code of good practice that prohibits sexual harassment.
<b>The National Development Agency Act of 1998</b>	The Act emphasises the granting of funds to civil society organisations for the purpose of meeting the developmental needs of poor communities with the focus on vulnerable groups such as women.
<b>Maintenance Act No. 98 of 1999 as amended</b>	Provides measures for strengthening the administration of judicial maintenance. This includes tracing of maintenance defaulters and recovery of payment arrears.
<b>Preferential Procurement Policy Framework Act No. 63 of 2003</b>	Provides a framework for procurement reform which includes preferential procurement, measures in favour of women, black people and persons with disabilities

Source: Taken from the report "Gender Equality and Equity" (2009)

## 6. Broad-Based Black Economic Empowerment and Transformation by Sector

The Broad-Based Black Economic Empowerment (B-BBEE) Act, which was originally drafted in 1994 and, through various steps was finalised and adopted as a working framework in 2003 (*Broad-based Black Economic Empowerment (B-BBEE) Act, No.53 of 2003*), is the main strategic policy aimed at addressing the issue of social inequality. Black Economic Empowerment (BEE) in a Strategy Document by the Department of Trade and Industry (dti) is defined as being “an integrated and coherent socio-economic process that contributes to the economic transformation of South Africa and brings about significant increases in the numbers of black people that manage, own and control the country’s economy, as well as significant decreases in income inequalities”.

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The broader policy of BEE and the subsequent individual B-BBEE sector charters and codes are intended to support the development of a more inclusive economy and just society through job creation, by supporting inclusive human capital development and promoting entrepreneurial progress, not simply mandating transformation at the level of ownership.

The application of BEE in business has developed over the past two decades. In the mid-1990s, the concept of broader economic inclusion and transformation was driven by South African corporates, with no clear frameworks or targets in place and a focus on ownership transformation. This was simultaneous to the emergence of black business leaders in the country. The BEE Commission was launched by government in 1998, at which time, BEE ownership of Johannesburg Stock Exchange (JSE)-listed companies amounted to less than 3% (compared to about 17% to date). In the early 2000s, a number of BEE definitions and ownership targets were put forward, with charters such as the Mining Industry Charter being developed, and the release of the dti’s Strategy Document on BEE in 2003. Following the promulgation of the BEE Act in 2004, the BEE Codes of Good Practice were formulated, and BEE Codes gazetted, providing a standard framework for scoring specific industries, taking into account elements including ownership, control, employment equity, skills development, preferential procurement and enterprise development.

Industry-specific charters and scorecards have been developed under the terms of the Act in order to apply the broader B-BBEE framework. These charters have been drafted through a participatory approach, consulting major stakeholders in various sectors of the economy. Sector charters thus promote the commitment of stakeholders to support transformation – including women’s empowerment specifically – in a specific sector and industry. A number of sector charters have been introduced, vetted and analysed for compliance, as per the stipulations of either Section 9 or 12 of the B-BBEE Act.

Across these sectors, and in line with the above-listed elements, scorecards are used as a monitoring mechanism by measuring an organizations’ commitment to transformation in their respective sector and in line with targets set. Non-compliance with legislation precludes the possibility



of an organization winning government contracts and tenders, but in most sectors to date does not result in any penalties.

A B-BBEE Draft Sector Code, gazetted in terms of Section 9(1) of the B-BBEE Act, means that it:

- becomes a sector Code of Good Practice and shares the same status as the B-BBEE Codes of Good Practice; and
- Is fully binding between and among businesses operating in the industry.

Where a sector charter does not apply to a specific industry or is still being developed, the B-BBEE Codes of Good Practice are applied in the development, evaluation and monitoring of BEE Charters, initiatives, transactions and other implementation mechanisms.

Progress on the specific industry sector charters and codes has varied, with a number of these still to be signed into law. Based on information on each of the sector charters and codes collected through a questionnaire directed at players and stakeholders active in the respective industries, sector targets, timelines and progresses to date, as well as commitment to and progress on transformation greatly varies.

The sectors reviewed for the purposes of this report include the following:

- ✓ Agriculture
- ✓ Chartered Accountancy
- ✓ Construction
- ✓ Financial Sector
- ✓ Integrated Transport
- ✓ Manufacturing
- ✓ Mining
- ✓ Tourism

### ***Agriculture Sector***

The agriculture sector is subject to both AgriBEE scorecards as well as a Qualifying Small Enterprises (QSE) scorecard, the targets of which differ. The initial targets set out in the AgriBEE charter targets 10% black women ownership (voting rights and economic interest), 25% black women board members, 20% black women top management and 40% black women employment equity at the farm level. The timeline for review of the set targets by stakeholders is set for 2014/2015 after which a final decision will be passed by government.

### **AgriBEE Targets for Economic Empowerment of Black Women (2014)**

Classification	Target (%)
Ownership level	10

Board member	25
Top management	20
Employment Equity	40

Source: AgriBEE Charter, 2008

While the AgriBEE charter has not yet been gazetted, many entities have pre-empted its conditions and established development programmes over the past number of years. These programmes are aimed at educating and training black farmers – of which 40% are women – in the sector. Government has supported these initiatives by purchasing land from traditional white farmers at a fair market value, and transferring this to black candidates.

As the agriculture sector does not derive much of its business from government there are no incentives or penalties currently in place from not aligning to the codes of good practice. However, a number of entities are already applying the generic codes of good practice to implement women empowerment. Thus, farmers that are currently implementing BEE policies on their farms and in their businesses are doing so on their own account. While penalties such as water rights and export permits have been put forward, these are not expected to become a reality until such time as the charter is gazetted and enforced by law.

A respondent noted that the lack of education in rural areas and on farms, as well as the shortage of skilled persons is a key challenge to incorporating future black farmers into managerial positions. This is compounded by the lack of interest of skilled workers to settle in rural areas, an ageing workforce and minimal interest from the youth to work in the agricultural sector, not considered as attractive as the opportunities in urban areas. Just as much, the fact that farms generally have flat ownership structures, with the owner and his family running the business, expansion and absorption opportunities into management are limited.

Looking forward, there are plentiful growth opportunities for women in agriculture. At present there are only a few players that exist at the commercial level, and with the pending implementation of the charter growth opportunities for women in commercial farming will become more evident. With the finalization of the charter looming there will be demand for female agribusiness entrepreneurs to meet the targets both in primary and secondary agriculture.

At present, although without official statistics, the representation of women in agriculture business is far below the target of 10% ownership. It is estimated that women ownership levels are less than 5%. More concerted efforts need to be made, both by government and the private sector, to overcome the challenges that are hindering greater women empowerment in the sector, and to absorb women in decision making roles.

### **Chartered Accountancy Sector**

The Chartered Accountancy profession is subject to the Chartered Accountancy (CA) charter council, which is driven by the Institute of Chartered Accountants. The profession is wide-spanning, including organised membership bodies in commerce and industry, the public sector, academia, as well as private practitioners, and non-members of organised accountancy membership bodies. To date, more than 33,000 registered chartered accountants are practicing in South Africa, with women accounting for 24%. Black women, however, only constitute about 8% of the profession, with women of African descent below 1,000 individuals in this pool of professionals (around 3%).

The CA charter looks to encourage women to enter the profession, and to increase the share of women, specifically of black women, making this more reflective of the country's demographics. The sector aims to achieve a 32.5% black ownership target by 2016, and a 25% participation of women at the top management level by 2016. Beyond these targets set by the charter for the industry as a whole by 2016, institutions such as the African Women Chartered Accountants (AWCA) have set internal targets to expedite the transformation process. AWCA has set a target of having 25% women in the position of Chief Financial Officers of companies listed on the Johannesburg Stock Exchange (JSE) by 2015.

A respondent noted that transformation within the sector has been slow but did not attribute this to the fact that there are neither incentives nor penalties for firms that do not achieve well on their scorecards. Instead, a key challenge identified is the lack of young women entering the sector. Transformation has also been lagging at the senior level. Black women are not participating or penetrating senior level positions. Nonetheless, future opportunities for women in the sector are apparent, in terms of conducting audits, in merchant banking, to participate in the board of directors of audit committees, and to be assigned as CFOs or CEOs of small, medium or larger companies.

A key challenge coupled to the above targets raised is one of funding, particularly for women entering tertiary schooling. The activities of institutions like AWCA and the South African Institute of Chartered Accountants (SAICA) in supporting the learnerships for women are similarly financially confined. A mindset change in business also needs to be addressed, in order to recognise that more women CA's can play a fundamental role in the South African economy.

### **Construction Sector**

The construction industry charter was formally gazetted by the Minister of Trade and Industry under Section 9 of the B-BBEE Act in 2009. The charter was developed in consultation with 18 organisations, including labour, government and industry associations. Following a two-year process of deliberations it was signed by the negotiating parties as well as the Minister of Public Works. The charter puts forward as its main goal that "consultants and contractors transform in an effective and genuine manner" and that "an environment is created where the small and medium-sized consultants and contractors are able to grow and succeed".

It is pertinent that real transformation of the sector, including a more inclusive role of women, will depend on proactive enterprise development and a greater integration of SMEs into the sector, specifically into procurement and supply chains. The sector thus also puts forward specific procurements targets for companies to better position SMEs and the role these companies play in terms of creating employment opportunities and empowerment prospects in South Africa. Progress and compliance of transformation in the sector is furthermore based on the development of a weighted scorecard.

Some select targets, relating directly to the empowerment of women in the sector, are those set for employment equity and skills development by 2013. The targets, in the seven-year period until the end of 2013 are illustrated below. These include a 16% target of women in all levels of management, but specifically 27% at the junior management level. These targets build on the 10% representivity of black women at the executive, senior and middle management level in the four-year period until the end of December 2010. It also includes that by 2013, 20% of black women are to be represented at the board level.

#### Construction Sector Targets specific to Employment Equity and Skills Development

Description	Target for 2013 (%)
Black women in Junior Management	27
Black women in Middle Management	16
Black women in Senior Management	16
Black women at all management levels	16
Black women at board level	20
Proportion of skills development spent on Black Groups to be spent on women	25
Proportion of Learnerships on black groups to be spent on black women	35
Built environment professionals (BEPs) of employees on learnerships	2.5 <sup>1</sup>

Source: Construction Sector Charter, 2009

A respondent interviewed noted that women's involvement in high-level roles in the construction sector is concentrated in smaller companies where entrepreneurial opportunities are greater, and on projects that are more "manageable". This is complemented by higher women ownership in these companies, rather than women penetrating larger organisations, where it seems that perceptions, such as, that the duties of women could be skewed more towards an administrative role, rather than executive or managerial positions, exist. The figure below is indicative of this, with the largest number of women-owned projects concentrated among the lower-valued contracts, and the share of women-owned projects as a percentage of total by contract value declining gradually, the higher the contract value, and the higher the designation.

<sup>1</sup> Calculated on a rolling 12-month average.

## Women Owned Construction Contracts by Grading – all Provinces in South Africa (2011)

Designation	Contract value ≤ (ZAR)	Total # of projects	Total # of Women Owned projects	Share of Women Owned projects of Total
2	650,000	4,138	2,076	50.16%
3	2,000,000	1,533	734	47.87%
4	4,000,000	2,252	945	41.96%
5	6,500,000	2,077	734	35.33%
6	13,000,000	1,501	503	33.51%
7	40,000,000	563	128	22.73%
8	130,000,000	206	27	13.1%
9	No limit	119	1	0.84%
Total		12,389	5,148	41.55%

Source: Construction Industry Development Board, 2011

The construction sector's transformation charter is the main driver or incentive for organisations in order for empowerment targets to be met. This is supported by the fact that, as consultants and contractors engage in bidding activity on government-funded and tendered projects, a lack of commitment by these organisations of compliance with the set targets has adverse impacts on them potentially winning government contracts. Furthermore, incentives for transformation are also supported by government-supported training programmes, but the attractiveness of these is questionable, as these programmes are not always linked to practical projects.

Looking ahead, and in terms of taking women empowerment in the sector forward, a number of challenges to achieve the set targets in line with the specified timelines exist. These include the fact that the industry itself has been in a bit of a slump, following the global financial crisis and resultant recession, as well as the slower spending on construction and infrastructure following the FIFA Soccer World Cup spending after 2010. Similarly, new emerging market competitors are fast increasing their market shares in a number of southern African economies, which have been considered as natural expansion and growth opportunities for South African consultants and contractors. Most importantly though, there still is a lack of knowledge transfer to women in what is a traditionally male-dominated sector. A lack of dedicated and committed mentors to ensure this knowledge transfer to women also limits the opportunities for women to catch-up in the sector and to be mentored. This constrains the ability of women to improve their exposure in the sector and to build confidence going forward.

Opportunities for women in new infrastructure projects that are being rolled out by government as well as in public-private partnerships (PPPs) should not be overlooked. This should be coupled to mentorship programmes spanning over the same length of time as projects that these women are working on, with committed and experienced mentors.

### **Financial Sector**

The Financial Sector Charter came into effect in January 2004 as a result of the Financial Sector Summit hosted by the National Economic Development and Labour Council (Nedlac), the multilateral

social dialogue forum on social, economic and labour policy. Despite the formulation, the industry's main stakeholders (banks) have not acceded to a scenario where black ownership will total 15% (of which a large proportion would be women) of issued share capital. This has resulted in a current stalemate of the financial services charter negotiations.

Operating without a charter, the industry defaults to the B-BBEE Codes of Good Practices with which it has achieved a moderate amount of success in terms of women employed in senior positions, the targets for which were set for the period 2008 until 2012. Women are increasingly so playing a proactive role in the sector, although the implementation of a transformation strategy is evidently one that is gradual, and should be inclusive of not only women but also people with disabilities as part of the population cohort that has unequal access to opportunities.

Yet, women occupy 26% of managerial positions and over 15% of directorships in financial sector companies listed on the JSE, according to an annual report published by the Business Women's Association (BWA). This is amongst the top sectors of women managers and directors as per the study. Monitoring in the industry, especially among some of the larger banking institutions is completed on a regular basis, and to achieve key targets set, a focus on talent recruitment and retention, training and mentorship programmes continues to be important. Yet one respondent banking organisation interviewed noted that, while progress at the junior and middle management level to achieve the targets is being made, this is evidently more challenging at more senior management positions.

### ***Integrated Transport Sector***

The Integrated Transport Sector Code comprises eight sub-sectors, which seek to transform one of South Africa's largest sector contributors to GDP. The charter aims to achieve a 35% black-ownership target for the five-year period ending 2016 whereupon it will be reviewed.

It is, however, questionable whether the target set will be achieved. A respondent claimed that women empowerment has not made significant strides in the sector. Both female executives, especially in State Owned Enterprises (SOEs), and private sector ownership remain at low levels. The number of women representation and CEOs in the sector is even said to be on the decline. Blame for this was levelled at perceptions of experience shortages and entrepreneurial inability of women in the sector.

As the charter applies to all companies operating in the transportation value chain, it was noted that challenges exist in auditing suppliers to ensure they comply with B-BBEE. And it is mainly through such audits, that SOEs are required to report quarterly and annually on their BEE status. But such audits, especially for larger SOEs, can be a resource-heavy exercise which requires both a time and financial commitment in order to supply the information requests. Monitoring mechanisms also include quarterly reports to shareholders, annual reviews and target setting with the board of directors and the shareholder compact, regular review meetings with shareholders, etc. But key challenges in the

sector for achieving empowerment targets is the prominence of corruption, engaging suppliers, and improving procurement processes. Thus, measuring and accounting for the B-BBEE spending of companies remains a challenge.

Opportunities for women linked to the transportation infrastructure sector, include linkages to retail, airline operation, advertising and property management. These are sectors that should be actively pursued and not overlooked. Yet the challenges of encouraging women to enter the sector include financial, information and (perceived) accessibility constraints.

### ***Manufacturing Sector***

The manufacturing sector has been considered as one of the least transformed sectors in the South African economy. This has resulted in the sector also being seen as least likely to consider the B-BBEE framework as a business-winning incentivization and transformation code. Women traditionally and to date work in a more supporting and functional role in the sector, at a lower-skilled level. This varies amongst different industries in the manufacturing sector, with some industries such as the clothing and food industries, relying heavily on women factory workers. Overall though, women have very little representation in decision making activity, and thus in terms of status are poorly represented in the sector.

There are currently no implementation strategies in place for transforming the sector. Government's role has thus far been limited to minimizing job losses within the sector, and developing new strategies for positioning the industry competitively given thriving manufacturing export-driven competition from largely Asian economies, as well as job growth in key subsectors. The Department of Trade and Industry does, however, offer a number of programmes to support women. These include the *Technology for Women in Business (TWIB)* – a programme, which is aimed at enhancing the accessibility of science and technology to women, the *South African Women Entrepreneurs' Network (SAWEN)*, and the *Isivande Women's Fund* in collaboration with Old Mutual's *Masisizane Fund*.

Currently, the key challenge to empowering women is to review and understand the complete value chain in each manufacturing sub-sector and to give women the opportunity to acquire the necessary skills to become more integrated into the sector. This human capital investment would require the buy-in of development funding agencies and should also be supported by business women who have capital to invest but need to be more vigilant in looking at the industries they are supporting. Opportunities exist for black and female shareholding, strategic alliances, mergers and acquisitions and furthering skills development in the sector.

### ***Mining Sector***

The Mining Sector Charter represents the mining industry's strategy for sustainable growth and meaningful transformation – which sets out a framework to enhance transformation or ownership of

mines by previously black groups.

### Mining Sector Targets by 2014

Management level	Target (%)
Women in mining	10
Previously disadvantaged South Africans at all management levels	40

Source: Mining Sector Charter

The charter, which was reviewed in 2010, maintained its target of transferring 26% of mine ownership to previously disadvantaged persons by 2014 but includes a revised and agreed-upon strategy within the industry. The changes to the charter were set in motion after the 15% black ownership target set for 2009 was missed.

The amendments have allowed black investors to have voting rights, and to seek greater access from banks to acquire funds for developing mining projects. The amendments are also expected to expedite black ownership, skills development, employment equity, procurement, housing and improved living conditions as well as mining beneficiation activity.

The sector has seen increased participation of women since the charter was introduced, and women are entering the fields of mining engineering, chemical engineering, as well as mechanical and electrical engineering, with a significant increase in women graduates in these fields over the past decade. For example, women engineering graduates at Wits University in 1985 were non-existent. By 2010, 33% of engineering graduates were women. This has been supported by mining company provided bursaries for women and previously disadvantaged South Africans to study at tertiary institutions in these fields, that are aligned to graduate and mentorship programmes of companies. Similarly, women comprised 12% of managerial roles, 23% of professionals, 9% of technicians, 9% of elementary workers, 4% of machine operators and 50% of clerical staff in 2009. The highest share of women employment was in the diamond processing sector. In total, women formed 10.1% as a share of the mining workforce in 2009 compared to 3.2% in 2000.

Penalties exist for non-compliance and annual reporting by companies is required. Similarly, data on all companies' charter compliance are collected by the Chamber of Mines, which are aggregated to calculate overall compliance indicators.

But one of the key challenges that deter women's participation in the sector surrounds the culture of mining and it being a male dominated profession. In addition, mines are located far from urban areas and therefore mitigate the profession from being a career choice for many young woman graduates.



### **Tourism Sector**

The Tourism Sector Charter is currently being ratified by stakeholders within the industry. While no targets or timelines have been established, the charter, at this stage, aims to affirm women through skills, economic and leadership development, taking into account the social injustices in the country and the marginalisation of women and children. The charter applies to all privately-owned enterprises within the sector and to all parts of the value chain within it. While there are no penalties for not implementing targets, a higher rating in the sector in line with the BEE criteria will influence access to development funding and targeted investments from institutions such as the Industrial Development Corporation (IDC) and the Development Bank of Southern Africa (DBSA).

In 2005, the charter was officially launched. It looks at the five years leading up to 2009 and the second five years leading up to 2014, with the former targeting skills development and the latter skewed towards ownership targets (black ownership target of 30% by 2014). The charter looks to exempt small businesses with an annual turnover of less than R2.5 million from ownership requirements, which includes, for example, entrepreneurs operating Bed and Breakfasts. While no specific targets for sub-sectors exist, economic interests of black women in the form of ownership are targeted at 10% by 2017.

A number of the businesses in sub-sectors, such as the accommodations sub-sector, are small and below the R2.5 million turnover threshold, and thus considered exempt from the charter. But it is these smaller SMME businesses that are largely owned, operated and managed by women.

Although in its infant stage, the charter has achieved success in that it has ensured that a significant number of enterprises doing business in the tourism industry are not excluded from compliance with the Sector Code, thus, allowing opportunities for black women to participate.

## 7. Contextualising South Africa in Relation to Africa, Emerging Economies and Developed Countries

	South Africa	Ghana	Kenya	Namibia	Nigeria	Rwanda	Uganda	Sub-Saharan Africa	China	Brazil	India	Norway	United Kingdom	United States	World
<b>GDP Growth (2011 estimate)</b>	3.4%	<b>20.14%</b>	5.78%	2.18%	7.32%	5.88%	6.4%	5.85%	9.91%	4.09%	8.43%	1.81%	2.51%	2.55%	4.34%
<b>GDP per capita, at PPP US\$ (2011 estimate)</b>	10,885.91	1,891.04	1,880.11	6,905.85	2,498.34	1,257.37	1,278.37	2347.62	8,032.50	11,585.41	3,446.39	<b>54,274.38</b>	36,237.48	49,158.6	14,628.72
<b>Key Sectors Contributing to GDP</b>	Agriculture, Mining, Manufacturing, Services	Agriculture, Mining & Petroleum	Agriculture, Forestry & Fishing, Tourism	Mining, Manufacturing, Fishing	Petroleum	Agriculture	Agriculture, Manufacturing	-	Manufacturing, Construction	Manufacturing, Petroleum	Industry, Services, Agriculture	Services, Petroleum	Manufacturing, Services	Retail, Manufacturing, Services	-
<b>Proportion of seats held by women in National Parliament, % (2009)</b>	45	8	10	24	7	<b>56</b>	32	-	21	9	11	40	22	17	-
<b>Female labour force participation rate, % (2009)</b>	47	74	76	52	39	<b>87</b>	78	-	67	60	33	63	55	58	-
<b>Firms with female participation in ownership, % (2007-2009)<sup>2</sup></b>	23	44	37	33	20	41	35	-	-	<b>59</b>	9	-	-	-	-
<b>Ease of doing business ranking</b>	35	63	109	78	133	45	123	-	91	126	132	6	7	<b>4</b>	-

<sup>2</sup>World Bank, 2011 (Statistics range from 2007 to 2009)

<b>Population, million (2011 estimate)</b>	50.59	24.3	37.14	2.117	160.34	10.21	35.63	818.02	<u>1,348.1</u> <u>2</u>	194.93	1,232.68	4.93	62.644	313.21	6,873.43
<b>Female life expectancy at birth, years (2009)</b>	52	64	57	62	52	56	54	-	75	76	66	<u>83</u>	82	81	-
<b>Human development index (2011)</b>	0.619	0.541	0.509	0.625	0.459	0.429	0.446	0.463	0.687	0.718	0.547	<u>0.943</u>	0.863	0.910	0.682
<b>GINI Coefficient<sup>3</sup></b>	0.65	0.39	0.43	0.71	0.43	0.47	0.44	-	0.42	0.54	0.37	<u>0.25</u>	0.45	0.34	-
<b>Adult literacy, % (2007 - 2009)<sup>4</sup></b>	Men: 91 Women: 87 <sup>5</sup>	Men: 73 Women: 60	Men: 91 Women: 84	Men: 89 Women: 88	Men: 72 Women: 50	Men: 75 Women: 67	Men: 81 Women: 62	Men: 73 Women: 59	<u>Men: 97</u> <u>Women :91</u>	Men: 90 Women: 90	Men: 75 Women: 51	-	Men: 91 Women: 84	Men: 91 Women: 84	Men: 85 Women: 79
<b>The Global Gender Gap Score (2010)</b>	0.75	0.681	0.650	0.7177	0.606	-	0.7220	-	0.6881	0.6679	0.616	<u>0.840</u>	0.7462	0.7412	-
<b>The Global Gender Gap Rankings (2010)</b>	12	70	96	32	118	-	29	-	61	82	112	<u>2</u>	16	17	-

Source: IMF, 2011; Human Development Report, World Bank 2011; Global Gender Gap Report, World Economic Forum, 2010; CIA World Factbook

<sup>3</sup> Coefficients for countries inserted range from 2003 to 2009

<sup>4</sup> <http://unstats.un.org/unsd/demographic/products/socind/literacy.htm> (Statistics range from 2007 to 2009)

<sup>5</sup> 2007

The table above seeks to contextualise South Africa's economic and gender progress, relative to the world and sub-Saharan Africa as a whole, but more importantly in comparison to key peer economies in sub-Saharan Africa, such as Ghana, Nigeria, Kenya, Rwanda and Uganda; emerging markets peers that form part of the BRICS grouping, including India, China and Brazil; as well as developed world economies such as Norway, the United Kingdom and United States.

South Africa fares relatively well in a global context of closing the gender gap. The World Economic Forum (WEF) prepares an annual report entitled the *Global Gender Gap Report* which looks at women in administrative positions in 134 countries, as well as improvements in the wage gap between men and women. Iceland continues to lead the world with the most gender-balanced work force. South Africa's global ranking was an impressive 12<sup>th</sup> position – outstripping Nigeria at 118<sup>th</sup>, Kenya at 96<sup>th</sup>, China at 61<sup>st</sup> and India at 134<sup>th</sup>. Norway is ranked ahead in 2<sup>nd</sup> position. South Africa's position in this report is bolstered by the prevalence of women in decision making positions. In 2010, for example, 34% of the country's cabinet ministers were women. Whereas empowerment in government sees South Africa perform well to the peer countries reviewed, this is less so the case in terms of the women participation rate in the labour as well as female participation in the ownership of firms.

Even though performing relatively well on some indicators of women empowerment and transformation, South Africa lags behind it's the African and emerging markets growth momentum, with real GDP growth predicted to reach 3.4% in 2011. This is short of both the average SSA and world growth rates. Nigeria's economic expansion in 2011 is estimated at about twice that of South Africa, while emerging market peers, such as China and India are expected to breach the 9% and 8% marks, respectively. South African growth outstrips developed market growth rates (Norway is expected to grow at 1.81%, and the US about 2.55% in the aftermath of the global financial crisis), but this is arguably not sufficient to create the private sector and job creation opportunities that have been put forward in policy documentation such as the New Growth Path.

On a per capita income basis (GDP per capita at purchasing power prices) South Africa is far ahead of its emerging market counterparts, with an estimated 2011 GDP per capita of US\$10,885.91. Comparatively, China's average income per person is estimated to be US\$8,032.50 and Rwanda, being one of the least developed economies in the world, stands at US\$1,257.37. Yet countries such as South Africa and Namibia, both with higher per capita income figures in the African context, flaunt an extremely unequal distribution of this income amongst different income groups, as per the high Gini coefficients noted. The world's average GDP per capita estimate for 2011 tops these developing and emerging economies US\$14,628.72. Norway, one of the most developed economies was put at a staggering US\$54,274.38 and also one of the most equal in terms of the distribution of this income. Placing this in context, Norway houses a relatively small population of only 4.96 million people in 2011. South Africa's population – ranking among the top 25 most populated countries in the world, at 50.9 million – is comparatively higher than Kenya and Rwanda, but is dwarfed by countries such as

China and India with populations of more than 1 billion people each, where distributional and developmental challenges are clearly of a much bigger magnitude.

There are apparent correlations between rising GDP per capita and rising labour market participation rates, by both women and men. Countries where female employment rates are higher and where more women are represented in senior positions of companies are also often the stronger economic performers in terms of higher GDP per capita. This is consistent for countries where agriculture is not a subsistence sector, and where women are absorbed into the productive and formal economy.

In the context of the United Nation's Human Development Index (HDI), South Africa's score of 0.597 (with 1 being the best ranking and 0 being the worst) trumps the SSA average of 0.4, but is lagging larger but poorer economies (in terms of per capita GDP such as China's 0.663), the world's 0.624 and Norway's impressive 0.938. The progress made by a nation such as China needs to be placed into context of the demographics and population of that country, indicating the magnitude of the developmental progress made in absolute numbers. The HDI score encompasses indicators of life expectancy, education and gross national income. Life expectancy of South African women, among the countries surveyed shares the lowest position with Nigeria. All the other countries evaluated fare better than South Africa, where the prevalence of HIV/AIDS is amongst the highest in the world.

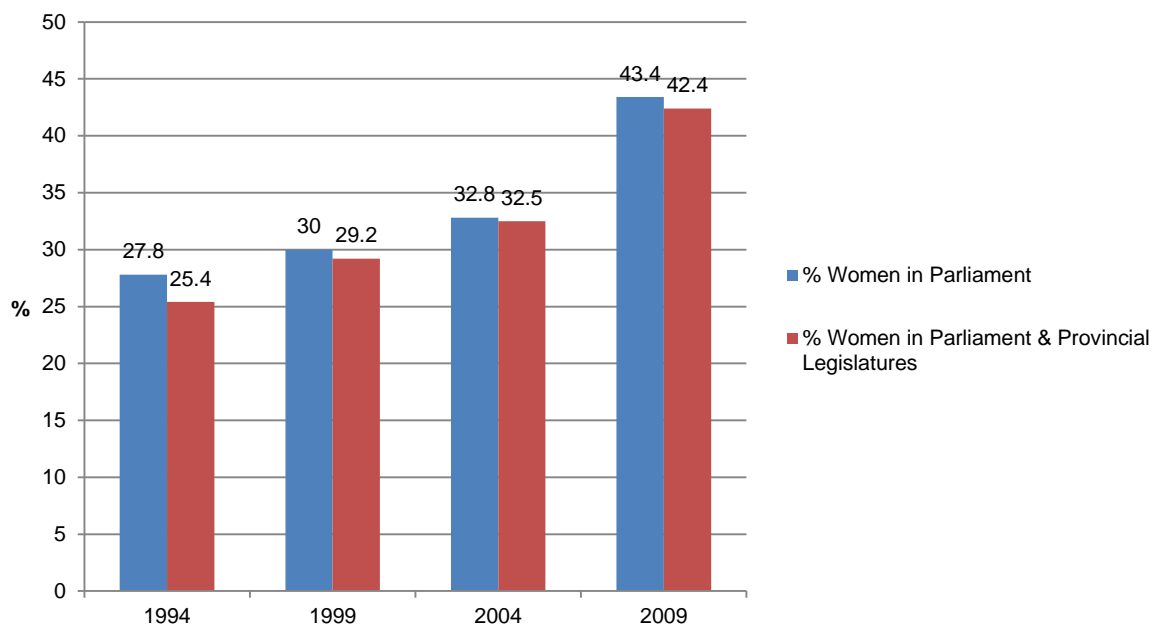
While there is a gap between female (87%) and male (91%) adult literacy in South Africa, it is less severe than the country's emerging market counterparts. The difference is most stark in Nigeria and India – in the former 50% of adult women are literate, compared to 72% of adult men and in the latter 51% of adult women are literate compared to 75% of adult men. All countries portray a higher literacy rate of men than women. Only in Brazil, are adult literacy levels of men and women estimated to be equal.

## 8. Progress on Significant Achievements Made

With a wealth of legislation in place in terms of the policy environment, part of this preliminary report will provide initial insights, which are to be elaborated and built on in the final version of the report, based on the progress and achievements made in terms of women empowerment in various sectors of South Africa's economy.

What has been evident is that South Africa has made progress in terms of women empowerment and the reduction of discrimination towards women in the workplace, yet this has only been the beginning of a longer journey, particularly with regards to the progress that is still to be made in the private sector. In government, acts such as the Employment Equity Act passed in 1998 have resulted in about 44% of women representation in legislature, 43% of women representation in Cabinet, and women make up 40% of local elected positions. In 2009 the representation of women at senior levels of the public service increased to an average of 36.1%, and women made up 26% of the higher courts and 40% of the lower courts.

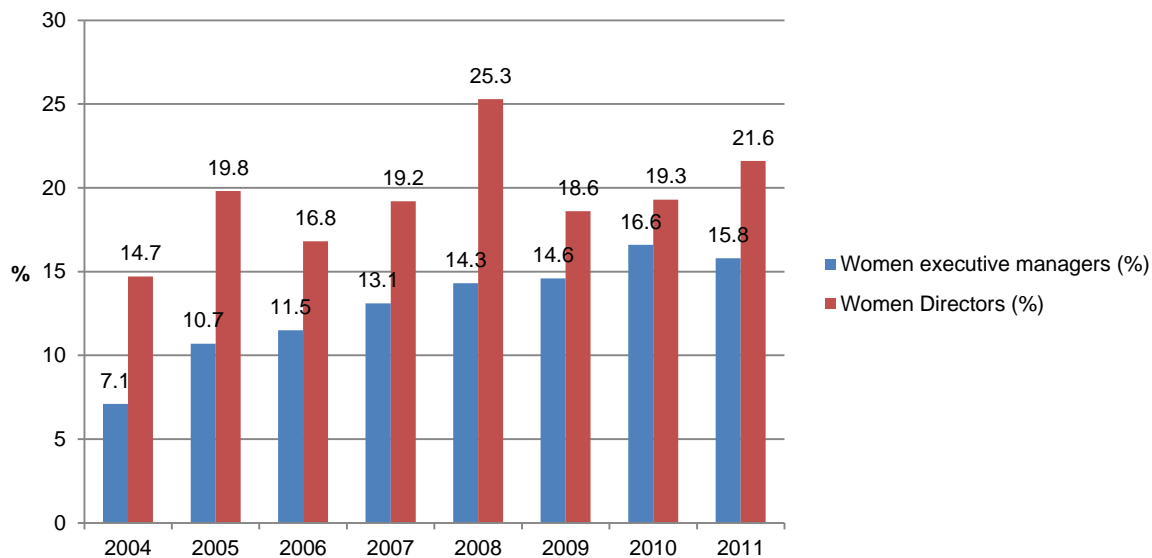
### Share of women in parliament & provincial legislatures, % (1994-1999)



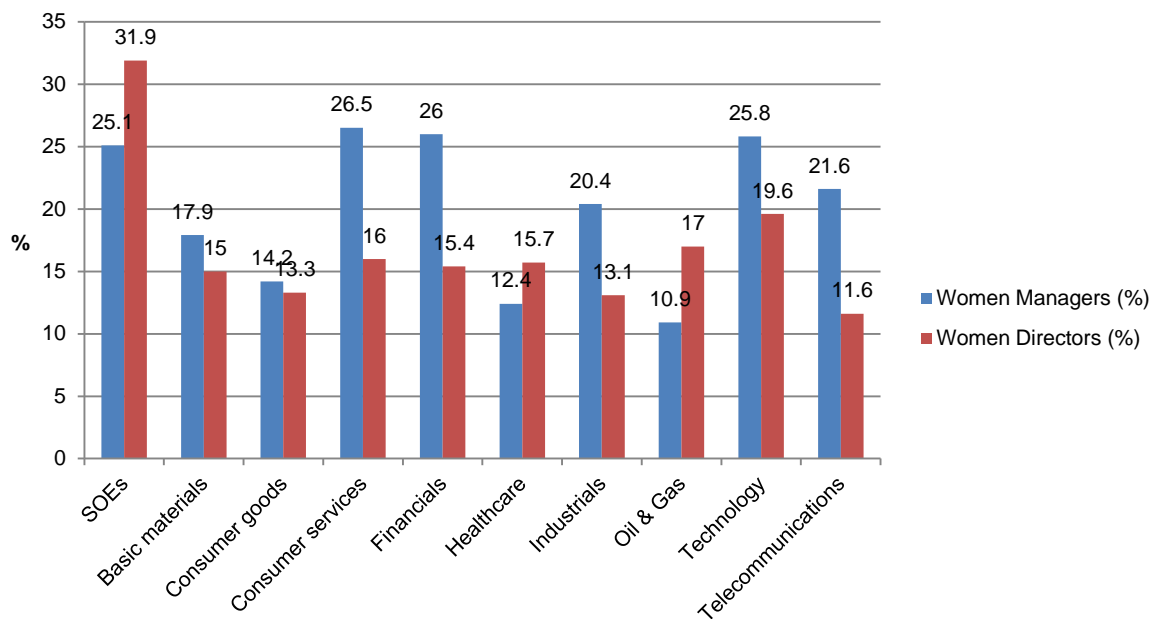
Source: NPC Development Indicators (2010)

At the corporate level, firm ownership by women remains limited as well as women in top management and director positions. According to the annual BWA Census, the share of women in executive manager and director positions have been on the rise since 2004, with women executive managers constituting almost 16% in 2011 (but still falling short of 20%) of the companies surveyed (JSE-listed firms and SOEs) in the study. Major variations are visible at the sector-level, with SOEs showing the most promising results, together with sectors such as consumer services, financials, technology and communications.

**Share of women in executive manager and director positions, % (2004-2011)**



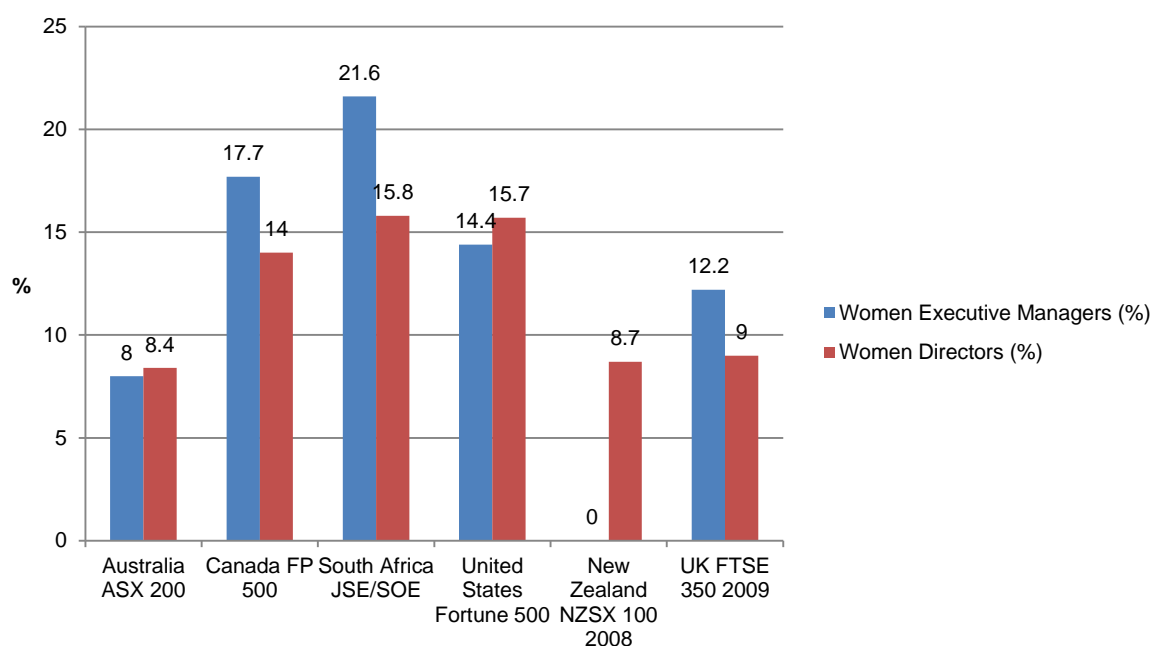
Source: BWA Census (2011)



Source: BWA Census (2011)

In the international context, South Africa's ranking (including JSE and SOE firms) actually shows substantially higher levels at the executive management level, in comparison to for example the US Fortune 500, and the UK FTSE 350 share of women executive managers in 2011.

## Share of women in executive managers and directors: international comparison, % (2011)



Source: BWA Census (2011)

In terms of closing the gender gap, South Africa is one of the top 20 countries as measured by the World Economic Forum's Global Gender Gap Report that demonstrates increasing equality between men and women. South Africa was ranked 12<sup>th</sup> in the world by the said report in 2010. While the country dropped from 6<sup>th</sup> place in the 2009 index, it remains the only African country, along with Lesotho, in the top 20. It also ranked higher than some of the world's most developed countries, such as the United States (19), Germany (13) and the United Kingdom (15). No country in the world has yet reached equality between men and women, but according to the index, the most progress made in closing the gap has been seen in a number of Scandinavian countries, including Iceland (1<sup>st</sup>), Norway (2<sup>nd</sup>), Finland (3<sup>rd</sup>) and Sweden (4<sup>th</sup>).

The index measures the size of the gender gap in 134 countries with focus on four areas of inequality: political empowerment, economic participation, educational attainment and health and survival. The report also highlights the correlation between the gender gap and economic performance of a country. South Africa scored particularly well in political empowerment, ranking 9<sup>th</sup> overall. The country ranked 43<sup>rd</sup> in educational attainment, 101<sup>st</sup> in health and survival and 55<sup>th</sup> in economic participation and opportunity, indicating the gaps that still exist especially in education, health and economic participation of women in comparison to men. Combined, the figures give South Africa a point score of 75.3% - the percentage of the gender gap that has been closed. This ranks similar to the results of Switzerland, Spain, Germany and Belgium.



## The WEF Global Gender Gap Rankings, top 15 (2010)

Country	2010	Score	2009	Change in ranking
Iceland	1	85.0%	1	0
Norway	2	84.0%	3	1
Finland	3	82.6%	2	-1
Sweden	4	80.2%	4	0
New Zealand	5	78.1%	5	0
Ireland	6	77.7%	8	2
Denmark	7	77.2%	7	0
Lesotho	8	76.8%	10	2
Philippines	9	76.5%	9	0
Switzerland	10	75.6%	13	3
Spain	11	75.5%	17	6
South Africa	12	75.3%	6	-6
Germany	13	75.3%	12	-1
Belgium	14	75.1%	33	19
United Kingdom	15	74.6%	15	0

Source: WEF (2011)

## 9. Consultations with Leading Women

Outcomes from the Roundtable Discussion entitled “Women and Economic Empowerment in South Africa” hosted on 17<sup>th</sup> October 2011, supplemented by key themes raised at the NPC Jam Meeting, 27<sup>th</sup> September 2011

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On 17 October 2011, the International Women’s Forum of South Africa, represented by Dr Precious Motsepe (Chairperson, IWFSA Business) and Dr VuyoMahlati (President, IWFSA) hosted the first roundtable discussion, the outcomes of which would feed into this report. The discussion, entitled “Women and Economic Empowerment in South Africa” was attended by a number of leading business women in South Africa and created an opportunity for business women and policymakers to assess the status of women economic empowerment in relation to existing policies. The discussion highlighted the needs and requirements of corporate women in the country and highlighted the realities on the ground. This section highlights a number of the key challenges identified during the session as well as proposed ways forward in overcoming some of these issues. It also incorporates the outcomes of the NPC Jam meeting, hosted on 27<sup>th</sup> September 2011 in Pretoria. A list of the key speakers and attendants of both these meetings is attached in the appendix of this document.

As part of this project and further consultative workshops, a broad framework for women and economic empowerment in South Africa, and a roadmap for future implementation will be one of the key outcomes of this project.

A key theme of the discussion was the progress that has been made in terms of women empowerment in South Africa over the past 17 years. But a number of disconnects and untold realities, particularly in terms of empowering women in the private sector in South Africa are apparent. There has been no shortage of appropriate policy that has created an enabling environment, with an abundance of international instruments and frameworks that South Africa prescribes to. At the national level, various legislation and policies have been crafted and implemented that address the issues of women economic empowerment, gender inequality and equity in South Africa. In order to assess the progress made on a sectoral level of empowering the respective policies and sector charters will be looked at, in terms of what measures and targets have been set for the economic empowerment of women in these sectors. As such, rather than speaking of women empowerment at the aggregated level, the issues will be disaggregated further in order to identify key challenges but also the opportunities and tools for women empowerment in these sectors.

Notable inputs to the discussion on women empowerment were made both from invited speakers but also leading business women attending and participating in the event. The roundtable noted the critical challenges faced in the empowerment of women and the fact that some of the gains made were being lost, highlighting the need for women to take the lead in the empowerment dialogue and process in the country. The CEO of the National Empowerment Fund, Philisiwe Buthelezi, Dr Anna

Mokgokongof CIH and Deputy Minister of the Department of Trade and Industry, Ms Elizabeth Thabethe, made strong recommendations to the sessions that women should stop lamenting about what is not happening and take up an Economic Empowerment Leadership role to ensure that an inclusive and focussed agenda is maintained. They indicated that it was important to note that the current status of women empowerment showed that men were still not including them as real partners in the process, and it was up to women to correct this. The IWFSA Business Forum will therefore provide the platform for leading women in business, government and civil society to engage on key issues relating to women empowerment.

From the deliberations, the following key challenges to women's empowerment were raised but also innovative ideas and solutions to overcome these were indicated.

**i) Challenges in earnings difference hindering full economic participation of women**

The gender wage gap in South Africa is still prominent. Women will only be considered fully integrated into the economy once the discrepancy in the wage gap between men and women has been eliminated. The NPC Diagnostic Report noted that women's earnings were declining and that the earnings gap between men and women is widening, even in areas where women are more qualified and have greater responsibility. The Deputy Minister of the Department of Trade and Industry, Ms Elizabeth Thabethe suggested that there needs to be a mindset change, especially in the private sector, if women are going to fully participate in the economy.

**ii) Limited pool of women that possess required skills**

There is currently a limited pool of women that have the required skills and talents to operate in the corporate environment. Women that do fit this profile have a lot of the time followed a path of entrepreneurship and created their own empires and companies. They are thus not being captured in the opportunities of, for example, major corporates, such as JSE-listed companies. Dr Anna Mokgokong, Executive Chairperson of Community Investment Holdings, insisted that this challenge could be addressed and overcome by ensuring the right tools and platforms are in place in order to identify and skill-up young women in line with industry needs. Having organizations (like the IWFSA) partner with academic institutions will create such a platform, where young leaders are identified and groomed from an early age. This is important and needs to be done in order to nurture and promote young people and their opportunities. Furthermore, a database of women – based on the networks and networking that leading business women have – that are skilled in key areas should be started to minimize the current impact of the skills shortage.

**iii) Access to finance**

Access to finance in South Africa is not equal across all groups in South Africa. Gender remains an important variable and the lack of funding access has left South African

women marginalised. As such, access to finance is one of the biggest deterrents prohibiting women establishing their own ventures. Women should be able to access funding at all levels, from ground level to the top. This can be achieved through off-take agreements and innovative finance mechanisms. Ms Leratho Phalatse, Executive Director of Nozala Investments gave an example of such a mechanism which allowed rural women to participate in Nozala's investment initiatives. This was done through capital raising, road shows and structuring mechanisms. This development approach allowed financial institutions to invest on behalf of women and saw those at the lowest level of the economy participate, with most of Nozala's shareholders being rural-based.

Successful and leading business women were called upon to step forward and take it upon themselves to be role models that can inspire younger women. These women leaders should take on responsibilities of providing opportunities to younger and less experienced women through for example female procurement policies. The National Empowerment Fund should also be providing senior debt, working capital and participate in transactions to finance the risk portions of finance structures.

**iv) Women continue to be unequal partners in business deals**

Despite the abundance in policy and legislation which emphasises women economic empowerment, there is still a mindset that hinders the progress of corporate women today. Dr Anna Mokgokong explained the women are not seen as equal partners in business deals, and are invited only at the last minute to paint the company in a favourable light. Dr Anna Mokgokong advised that female board members should be more proactive and ensure that they involve themselves in these business deals.

**v) Not achieving sectoral targets**

Although there are women's empowerment targets for state-owned enterprises and enterprises in more sectors including mining, ICT, tourism, financial services, etc. these targets have not been reached. Dr Vuyo Mahlati highlighted that discussions about women's empowerment should be focused on sectors. The various sector-specific empowerment targets and follow-up strategies need to be unpacked, with an understanding of the skill requirements to meet these targets and how institutions like the National Empowerment Fund can collaborate to address this gap. Further sector-based and disaggregated research should be done in order to better understand the challenges. It was also stressed that the IWFSAs should form different commissions to focus on state-owned enterprises, municipalities and rural development, with a coherent strategy formed regarding women's empowerment in different areas.

**vi) Dealing with gender issues at government and departmental levels should not be an isolated issue**

The Ministry for Women, Children, Youth and Persons with Disabilities was established in

May 2009, to emphasise the need for equity amongst these disadvantaged groups. Some concerns were raised by Ms Philisiwe Buthelezi, CEO of the National Empowerment Fund (NEF). She believes that as a separate department within the government the issue of women empowerment is isolated. This means that some enterprises neglect the issue of gender equity. Ms Buthelezi advised that this ministry should address this problem by establishing links with policy plans such as the Industrial Policy Action Plan 2 (IPAP2).

**vii) Black entrepreneurial activity is lacking in South Africa**

A key concern raised during the discussion is the lack of entrepreneurial activity in South Africa. Generating future employment opportunities through women-owned enterprises should be an important area for growth. A way forward in terms of generating employment opportunities should also be the correct and professional branding and marketing of “Brand South Africa” abroad, including greater profiling of business women in business delegations exploring opportunities abroad and presenting concrete investment projects to prospective investors. Combined with the projects of the IDC and DBSA amongst others, the foreign investment that South Africa could attract would be substantial.

**viii) The implementation of Black Economic Empowerment (BEE) is plagued by challenges due to different targets set in sectors**

BEE is a pragmatic growth strategy that aims to realise the country’s full economic potential while helping to bring the black majority into the economic mainstream. Ms Philisiwe Buthelezi explained that BEE is plagued by challenges because various sector charters have different targets in terms of BEE which affects the level of transformation intended by the policy.

BEE also poses a challenge to women’s economic empowerment. Ms Dolly Mokgatlhe explained her experience as Executive Director of Peotana Group Holdings, she found that there was a prejudiced environment and ‘does not see why white people or white women should not enjoy the benefits of BEE’. The participants of the open discussion, elaborated on how this can be resolved. One point that came from the participants was that the roots of BEE have been forgotten, Dr. Danisa Baloyi stressed that BEE was established to ‘include the excluded’, and Ms Buthelezi explained that BEE should transform to empower ‘white women, black women and black people in general’.

The open discussion among participations of the roundtable event is summarised below:

Several challenges and possible solutions emerged from the open discussion, such as the importance for women of different backgrounds to unite and drive the idea of economic empowerment forward, the lack of women at high positions in state-owned enterprises and institutions, the problem of youth

unemployment, and challenges to South Africa's development that have an important impact on women's empowerment.

Philisiwe Buthelezi explained that the idea of empowerment should be transformed to 'include white women, black women and black people in general'. MonhlaHlahla emphasised this further, explaining that a 'compassionate approach' and maturity is required to ensure that no groups are excluded from economic empowerment.

The participants also highlighted the fact that gender equity has not been reached. Dr Anna Mokgokong explained that it is rare to find a female chairperson of a state-owned institution therefore she advised that a database of good candidates should be created and business women should use their position to influence those in power to employ women to fill upcoming high level vacancies. Another idea was that successful business women should support women in politics so that the issue of women's empowerment is at the forefront in political agendas. DrMokgokong also explained that IWFSAs members should sign a declaration as members to ensure a commitment to share experiences with other women, to ensure their legacy of change is passed on for the next generation.

An important point that emerged from the open discussion was the problem of youth unemployment and ways businesses can solve this issue. A journalist from Thomson Reuters, Matabo asked the business women how they can encourage a culture of development and acceleration among corporations who are not eager to develop young talent, and on the other hand, ways that can encourage young people to become pro-active and give them confidence in the ability to become future entrepreneurs. Dr DanisaBaloyi explained her recent experience in Soweto, where she met young people who had graduated up to five years ago and were still unemployed. She explained that as successful business women, the participants of the roundtable discussion should help uplift others and provide opportunities.

The challenges to South African development were also highlighted, and linked with the lack of progress in women's empowerment. DrNamaneMagau explained the importance of the National Planning Commission's Vision and Diagnostic Report in clarifying the values that underpin South Africa's democracy. She stated that discussions surrounding the subject of gender equity should recognize widening disparities and 'the key focus has to be on those women at the bottom' of society.

The structure of the IWFSAs was also discussed. DrNormandemaBuya, a board member of the IWFSAs, explained her view that the organisation should build a coherent strategy for women's empowerment by establishing separate commissions for state-owned entities, municipalities and rural development, to ensure that the challenges in these areas such as a lack of skills and capacities are addressed sufficiently.

Promoting the role of business in employment creation and linking education and employment was also a key point highlighted. The NPC Report emphasizes unemployment and education as the most critical areas. It is therefore important that the roundtable also identified the need to give priority to these areas. Members were even asked to consider making commitments indicating what they would do in their institutional and personal capacities to take the process forward. Growing unemployment was identified as a growing ticking bomb that would explode in future unless something was done. Deliberations from the roundtable indicated that creative solutions were required to extend job opportunities as well as to develop enterprises that promote economic activities in communities. Noting that SA is a young country with over 51% of the population being under 25, they suggested the need for focussed attention to the creation on opportunities for the youth, particularly young women.

### **The Way Forward**

- i) Develop a framework for women and economic empowerment in South Africa to assess how to deepen women empowerment in South Africa. The framework will also be utilised to monitor progress against identified national goals and to compare South Africa with other leading countries. This will be part of the ongoing work of the African Union's African Women's Decade: 2010-2020 initiative by extending this framework to other African countries.
- ii) Assess the progress made of economic empowerment of women at a disaggregated and sectoral level and comparing this progress to the targets set in each of the sector charters and understanding the requirements to meet targets in the next few years. A follow up session will deal with a sector-specific focus. Frontier Advisory on the request of Dr VuyoMahlathi is already working on a report which will provide this sectoral analysis, and perspectives on emerging issues and frameworks for key sectors. Frontier Advisory's research team will be engaging with leading women leaders and encourage them to indicate their interest in particular sectors, so that there can be dedicated teams providing inputs on each of the sectors.
- iii) Disaggregating the challenges to women empowerment for identifying key constraints, how to address these; but also opportunities and how to provide the tools for women to empower themselves.
- iv) Building and fostering partnerships between financing institutions, women organisations, government departments and businesses in order to better link the policy environment and the on the ground experiences of women; potentially also the creation of an institution/entity that focuses on women empowerment and implements processes accordingly.
- v) Hosting consultative workshops (DFIs, NEF, dti, banking institutions, etc) in order to share knowledge and information on the financing avenues and opportunities available to women entrepreneurs, particularly in terms of how to access finance; investment vehicles and the instruments available. Future discussions and consultations should focus on sharing mistakes made and sharing lessons to learn from these and prevent costly

repetitions.

- vi) Exploring partnership opportunities with universities to identify and groom talent for the private sector, including a database of key women and their skills, drawing on already existing networks, in order to better match human capital requirements to human capital development initiatives.
- vii) Continuously brand and market South Africa as an investment destination internationally in trade and investment delegations that travel abroad for attracting greater FDI flows and creating opportunities for women into target sectors.
- viii) Establishing new investment vehicles, including for example pooling our expertise and bargaining power and joining forces as groups of women.



## 10. Appendix

### Attendants of the Roundtable Discussion entitled “Women and Economic Empowerment in South Africa”, 17 October 2011

	TITLE	SURNAME	FIRST NAME	ORGANISATION	DESIGNATION
1	Ms	Milima-Alexander	Imani	X Factor Integrated Systems	CEO
2	Ms	Mjoli-Mncube	Nhlanhla	Mjoli Development Company	Exec. Director
3	Ms	Devine	Veronica	Mindcor	Exec. Director
4	Ms	Eboka	Tina		Director of Companies
5	Ms	Helena	Claudia	Santam	
6	Ms	Lyons-Grootboom	Sybil	DPSA	Director
7	Ms	Karuri-Magero	Lillian	Eskom	Head: ICT Sourcing
8	Ms	Hlahla	Monhla	Praxley	Exec. Director
9	Ms	Mokgatle	Dolly	Peotona Group	Exec. Director
10	Ms	Phalatse	Lorato	Nozala Investments	Exec. Director
11	Dr	Mokgokong	Anna	Community Investment Holdings	Exec. Chairperson
12	Dr	Magau	Namane	TselaneBasadi	Exec. Director
13	Dr	Moloi-Motsepe	Precious	African Fashion International	Exec. Chairperson
14	Mr	de Villiers	John	Frontier Advisory	Analyst
15	Ms	Tewolde-Berhan	Shushan	Frontier Advisory	Junior Analyst
16	Ms	Shange	Thobekile	Frontier Advisory	Assistant
17	Dr	Ledwaba-Mweli	Nono	Ubuhlebethu Business Enterprise	Director
18	Dr	Mahlati	Vuyo	SAPO	Exec. Chairperson
19	Ms	Sadza	Lindiwe	IWFSA	Programmes Director
20	Ms	Edinger	Hannah	Frontier Advisory	Senior Manager
21	Ms	Lujabe	Pum	OGM International	Director
22	Ms	Ngcobo	Makho	Makho Communications	CEO
23	Ms	Mokhuane	Margaret	Norwegian Embassy	Programme Officer
24	Ms	Pratt	Anne	Memela-Pratt	Managing Director
25	Dr	Mabuya	Nomonde	Ntombizomonde Health Care	Exec. Director
26	Ms	Matlejoane	Dawn	Santam	
27	Ms	Field	Dot	Dot Field Communications	Director
28	Ms	Magomola	Nana	Thamaga Holdings	Chairperson

29	Ms	Hills	Janine	Vuma Reputation Management	CEO & Founder
30	Ms	Webster	Nobuntu	Ayano Communications	Director
31	Ms	Khumalo	Ayanda	Webber Wentzel	Associate
32	Dr	Baloyi	Danisa	SAWIH	Exec. Chairperson
33	Dr	Kagia	Ruth	World Bank	Country Director
34	Ms	Johnston	Lunice	Vuma Reputation Management	Account Manager
35	Ms	Buthelezi	Philisiwe	NEF	CEO
36	Ms	Mbokazi	Aurelia	Ndalo Media	Senior Editor
37	Ms	Mashaba	Nola	CNBC	
38	Ms	Tladi	Mmabatho	Reuters	
39	Ms	Letlape	Lulu	Sanlam	
40	Ms	Mkhwananzi	Tops Thobile	Tops Motivations	Founder, CEO
41	Ms	Thabethe	Elizabeth	Dept. Trade and Industry	Deputy Minister