



Understanding the reality of female entrepreneurship in the Global South

A case study from Mozambique

Emmeline Skinner and Iana Barenboim, FCDO and MUVA

Contents

Abstract	2
Introduction	2
Methodology	3
Context	4
Female entrepreneurship	4
Development interventions to support female entrepreneurs	7
MUVA interventions	9
Areas for further research	13
Conclusions	13
Bibliography	14

Abstract

Female entrepreneurship is often seen as ‘smart economics’, the silver bullet that can promote women’s economic empowerment by enhancing their access to income, status and decision-making power, whilst also contributing to inclusive economic growth and job creation. A range of interventions have been launched to target female entrepreneurs and women’s businesses in Africa, promoting their access to finance, business development services, networks and markets and yet, too often, assumptions around the homogeneity of ‘female entrepreneurs’ which fails to take into account intersectionality and diversity, means that a broad-brushed ‘one size fits all’ approach is applied.

The risk of this is that it tends to focus on the gender of the entrepreneur, rather than the type of business or the type of entrepreneur, thereby missing the opportunity to meaningfully strengthen women’s businesses, with the risk that resources may be invested in the wrong areas, at the wrong times, or on interventions which are not necessarily the most appropriate at that particular moment for that particular type of enterprise. Drawing on evidence from two well documented ‘entrepreneurial’ projects of the UKAid funded MUVA programme in Mozambique – one with informal market traders in urban Maputo, and another with young female entrepreneurs supported a business accelerator programme, this paper highlights the heterogeneity of the ‘entrepreneurial’ landscape in Mozambique and argues for the need for a more participatory, bottom-up approach to tailoring and co-creating interventions for female entrepreneurs, that recognises their specific challenges and needs rather than promoting a single one-size-fits all approach.

Introduction

Female entrepreneurship in sub-Saharan Africa is often hailed as a route to women’s economic empowerment and a means of promoting women’s access to income, status and decision-making power, in a context where formal employment opportunities have been inaccessible to many women due to deep rooted inequalities that affect women’s access to resources and capacity to achieve their full potential. Over the past decade, an increasing number of programmes and funding mechanisms to support female entrepreneurs have emerged, with a wide range of interventions designed to promote and empower women in business. Female entrepreneurship is often perceived as a public good and win-win situation that can contribute to both economic development and gender equality, thereby killing two birds with one stone and achieving both social and economic outcomes through the promotion of inclusive economic development that can benefit all. Yet there is a risk that an overly simplistic view of the benefits of empowering women as entrepreneurs can lead to the homogenization of women and the group denoted as ‘female entrepreneurs’ and a failure to acknowledge the intersectionality of gender, and the huge range of social identities that influence women’s status, their access to information and resources and their ability to succeed as entrepreneurs (Shields, 2008). This intersectionality and diversity can be in terms of age, geography, experience, skill-level, sector, business stage and type of enterprise, meaning that the term ‘female entrepreneur’ can encompass everything from the small-scale informal sector female trader working on the side of the road to high-powered female executives driving high-tech innovations.

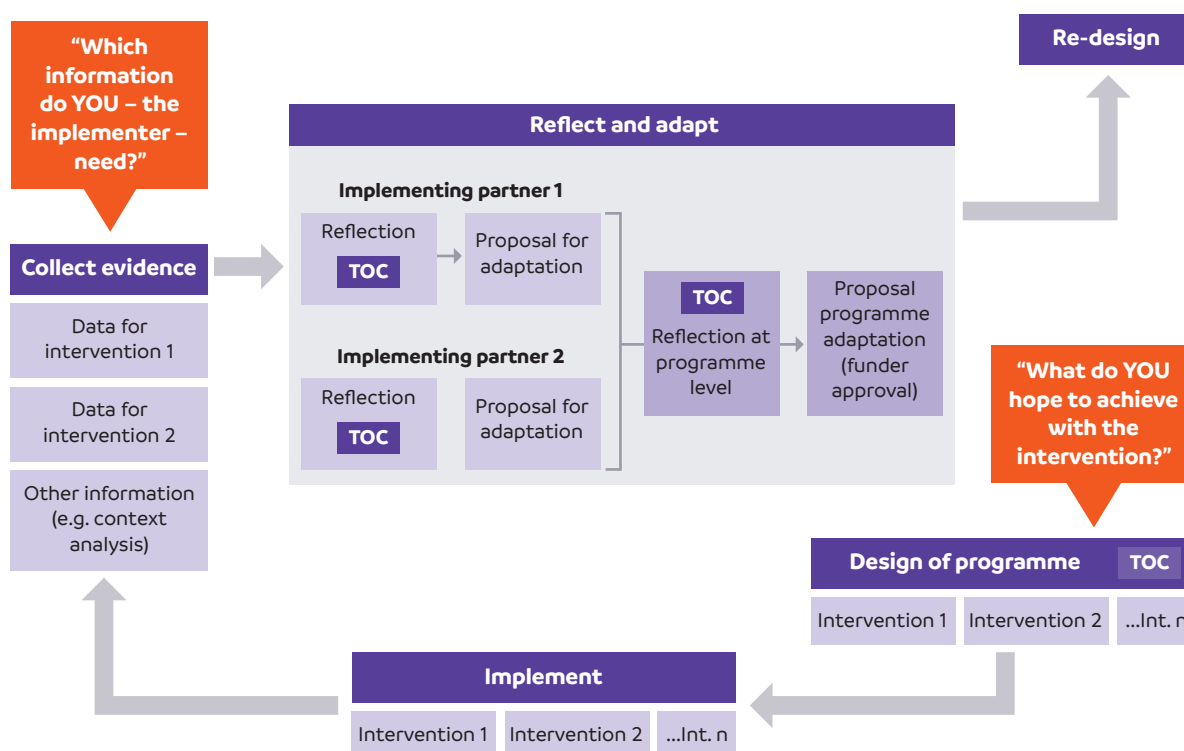
In this paper, we argue for a better understanding and contextualisation of who constitutes the group known as ‘female entrepreneurs’ and question the very concept ‘entrepreneurship’ for women and what this looks like in the Global South where for many women working as an entrepreneur (rather than an employee) may be the result of poverty, exclusion and lack of choice as opposed to a conscious career move, and where being an entrepreneur may mean low pay, insecure working conditions and lack of other options. We also explore the different ways in which entrepreneurship can empower (or disempower) women, and the critical importance of policies and interventions to enhance female entrepreneurship taking into account the local reality and heterogeneity of this group and the intersecting constraints faced by different women, in order to promote a more differentiated and tailored approach that can acknowledge the diverse needs of female entrepreneurs and promote greater agency and equity.

Methodology

This paper draws on the experience of MUVA, a Mozambican NGO that was created out of a UK-Aid funded women economic empowerment programme of the same name working in urban Mozambique. It uses both qualitative and quantitative data and evidence from two of MUVA's well documented 'entrepreneurial' projects that have been implemented with urban women in the past three years. One of these, MUVA+(*Mais*), targeted female informal market traders in peri-urban Maputo, while the other project, MUVA PAM (*Programa de Aceleração*) targeted young female entrepreneurs through a business accelerator intervention. The aim of drawing on these two different projects is to highlight the heterogeneity of the 'entrepreneurial' landscape in Mozambique and to draw attention to the different needs that women have in terms of business development services, finance, and training.

The data which is used to inform this paper comes from MUVA's rigorous Monitoring Evaluation and Learning (MEL) system, which is at the heart of all its interventions. MUVA is driven an intention to learn and adapt in a context where data is scarce, testing new approaches and applying a tailored MEL approach to each project to enable data to be gathered, analysed, shared and learned from. Each project develops its own theory of change (ToC) which sets out any underpinning assumptions, designed explicitly to explore what works and what doesn't work to improve women's economic empowerment. This happens through a flow of real-time feedback evaluative data to continually test each project's TOC. MUVA works in 'short cycles' to promote learning and adaptation (L&A) as illustrated in Figure 1. The MUVA learning process is supported by six-monthly cycles of reflection (or 'structured learning') for both the individual projects and the overall MUVA programme, drawing on both the M&E data as well as the practitioner experience and voice of the participants. This L&A cycle supports continuing reflection on progress against the project ToC.

Figure 1: MUVA learning and adaptation cycle



Context

Mozambique, running 2470km down the South East coastline of Africa, is a country rich in natural resources, diverse ecosystems and biodiversity, whilst also being one of the poorest and most unequal countries in the region. Gender inequality in Mozambique is acute, with the country ranking 127 out of 162 countries in the Gender Inequality Index (UN 2020) and with high rates of gender based violence, with one-third of 15-year-old adolescents girls reporting experience of physical violence, and 46 percent of women having experienced some form of domestic, sexual, or emotional violence from their partners (MGCAS 2016). Whilst female labour force participation is high in Mozambique (77%), most women work in the informal sector, with only 6 percent of women accessing formal waged employment, compared to 24 percent of men (World Bank 2018). Despite impressive economic growth over the past decade, 45 percent of the population continues to live below the poverty line, and 70 percent continue to depend on agriculture for their livelihoods (a sector that is becoming increasingly insecure as climate variability increases). Since the hidden debt scandal of 2016, the country has been suffering an economic slowdown, which has been exacerbated by climate shocks resulting from the cyclones of 2019, and further impacted by the COVID-19 crisis of 2020. Women have been disproportionately affected by this crisis, losing their income and livelihoods as a result of both the pandemic and the prevention measures to contain it, with their precarious economic situation, as well as their responsibility for unpaid care work meaning that the lockdown, closure of schools and restrictions put on commercial activity had a particularly negative effect on women. Post-COVID surveys show that in Mozambique, the share of women in full-time employment declined by 3.6 percentage points in 2020, especially driven by medium size firms where the proportion of women in full time employment declined by 10.4 percentage points (World Bank 2021).

The economic landscape of Mozambique is largely dominated by SMEs, which make up 97.1% of all registered businesses in the country, and yet are responsible for only 23.4% of GDP, reflecting their low level of productivity and the fact that the economy is dominated by a small number of larger businesses (many of which are in the extractives sector). Access to employment opportunities within these larger businesses is often restricted for women, not only due to their lower levels of education, access to information and social networks, but also due to discriminatory social norms that affect hiring practices and opportunities for women. Consequently, most women in Mozambique tend to be concentrated either in agriculture or, in urban areas, in SMEs, often in the informal sector, facing long working and commuting hours, insecure working conditions and lower incomes. It is in this context that the majority of 'female entrepreneurs' are trying to make a living, pointing at the need for any 'business development' interventions to take account of the harsh reality facing many women, and the importance of a gender-sensitive contextualised approach that can address these different constraints.

Female entrepreneurship

In a harsh economic environment in which the formal sector is constrained and unable to generate adequate employment opportunities for the growing population and large numbers of young people entering the labour market each year, and in a context where women are disproportionately disadvantaged against, entrepreneurship is often the only route for women to take in many sub-Saharan African countries. Given the constraints and lack of choices facing women, who are often forced to juggle their economic activities with their domestic responsibilities (including unpaid work and childcare within the home), for many, self-employment (or the more glamorous term of 'becoming an entrepreneur') is the only way to generate an income to meet their family's needs, often driven more by obligation as a 'survival strategy' than by choice.

Despite discriminatory gender norms, Africa is actually a world leader in terms of the numbers of female business owners, with women more likely than men to be entrepreneurs (making up 58% the Africa's self-employed population). Research by the AfDB shows that the African continent has the highest percentage of women entrepreneurs in the world, with a female entrepreneurship rate in sub-Saharan Africa that constitutes 25.9% of the female adult population, meaning that one in four women starts or manages a business (GEM 2016). The twist here is that too often this reflects a lack of other options for women as opposed to a deliberate career choice.

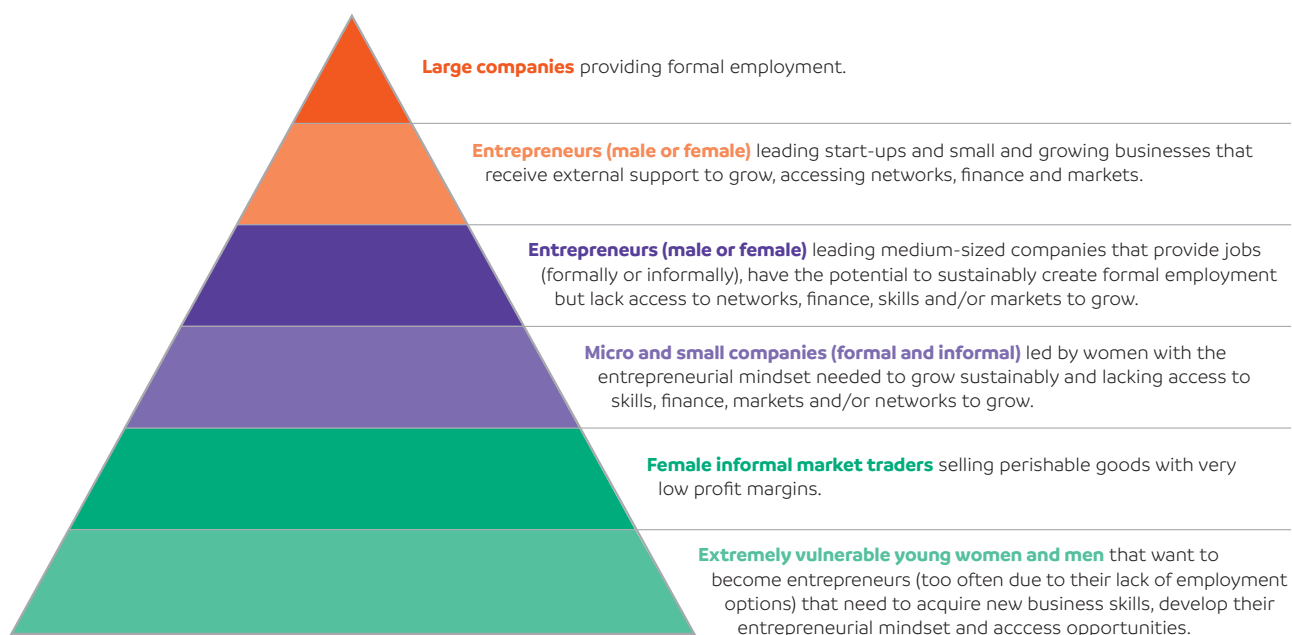
CASE STUDY: UNDERSTANDING THE REALITY OF FEMALE ENTREPRENEURSHIP IN THE GLOBAL SOUTH

In spite of this trend around women in business, however, in general, female entrepreneurs in Africa earn 34 percent less profits than male entrepreneurs, with their businesses tending to have fewer employees, lower average sales, and less value-added, as well as lagging behind male-owned enterprises in terms of productivity (World Bank 2019). As entrepreneurs, women tend to face different challenges to men, and to make their business decisions in a different way, not only due to the range of factors affecting them, but also due to the gender-specific constraints that hold them back. The World Bank's 'Profiting from Parity' report underlines nine specific factors which constrain female entrepreneurs and contribute to the gender gap in business performance. These include legal discrimination, social norms, risk of gender-based violence, the education and skills gap, lack of confidence and risk appetite, access to finance and assets, access to networks and information, household allocation of productive resources and time constraints and care (World Bank 2019). The report also highlights that women entrepreneurs are less likely to introduce innovative practices to their businesses than men, possibly due to their lower risk appetite due to their more constrained circumstances. In Mozambique, female entrepreneurs (31%) are less likely than men (39%) to have introduced a new process into their businesses. Although there is a will to innovate and make more money, the fear of taking risks and the lack of reliable data to inform business decision-making surpasses the willingness. In Kenya, 31% of women entrepreneurs say that unless they are 100% sure of success, they would be unwilling to try something new. Boosting opportunities and providing more tailored training and support for this type of female entrepreneur is therefore critical to address the triple challenge of employment, productivity and women's economic empowerment.

In the particular context of Mozambique, female entrepreneurs tend to be under-represented in the formal sector, with as few as 17 percent of formal enterprises with five or more workers being led by a woman, whilst over half of all informal firms (53%) are female-owned. Generally female-led enterprises tend to be concentrated in the service sector and commerce (with very limited participation in manufacturing) and also tend to have lower productivity rates, with a gender gap of over 35 percent between male and female-led businesses. The figures are even lower in the northern provinces of the country, where the social norms and constraints facing women are even more extreme. Thus, within the diverse geographical context of Mozambique, a huge variety of female-led businesses and different types of female entrepreneurs exist, from the low skilled poorly educated and financially constrained women running small-scale low value enterprises in the informal sector (which tend to make up the majority) to the highly educated, skilled and dynamic female entrepreneurs running high value larger businesses in the formal sector (who, sadly still constitute a small minority).

MUVA developed the graphic below (Figure 2) to capture the heterogeneity of the entrepreneurial landscape in Mozambique and to enable a framework that would enable it to identify and focus on its target group of marginalised urban women.

Figure 2: The entrepreneurial pyramid by MUVA



CASE STUDY: UNDERSTANDING THE REALITY OF FEMALE ENTREPRENEURSHIP IN THE GLOBAL SOUTH

The framework helps to identify the different types of entrepreneurs in Mozambique and to illustrate the characteristics of different groups, based on their ability to generate a living wage, to grow in a sustainable manner and to create jobs for others.

At the bottom of the pyramid, we find the majority of women and young people trying to do business in Mozambique: either youth with few other economic opportunities or women who are too often hidden in the informal sector, often selling perishable consumer goods in an effort to generate a living to support their family. The focus on perishable consumer goods is common for women, because they require less capital investment, given that these goods are cheaper to buy and retail, as opposed to non-perishable goods such as oil or rice, which are more durable and have greater profit margins but require more investment.

At the next level up from the 'bottom of the pyramid, the Micro, Small and Medium sized Enterprises (MSMEs) can be found – a very heterogeneous group that can be divided into three categories. At the bottom are the female entrepreneurs running small businesses from home, often selling food products, hand-made goods or running small hair-dressing establishments. These are often "one woman-band" businesses. From a professional perspective, they tend to be better organized compared to the informal traders, to have the entrepreneurial and innovative mindset required to grow, but often lack the skills, the opportunities and the access to finance needed to do so. The second category are the medium-sized enterprises that employ more than 5 people (often informal jobs), which are mostly led by men. These entrepreneurs tend to have been in business for a longer time, but also lack the skills, opportunities and finance needed to grow and to employ more people. Improving the productivity of these businesses could translate into more jobs available, thereby making them a focus for MUVA interventions (which aim to create more employment opportunities for women and youth). The third category of the MSMEs block are the higher value entrepreneurs who tend to be more visible and are often found on social media and in start-up competitions. They tend to be more skilled and educated entrepreneurs (many have studied abroad), are more capable of accessing available finance (including development intervention and international funds) and have wider access to networks and markets. MUVA does not work with this category of entrepreneurs since they are more likely to be well-served by existing business development interventions and rarely fall into MUVA's target group of 'vulnerable women and youth'. These companies are often more high-tech and in general do not tend to employ many people (especially unskilled youth).

At the highest level of the pyramid are the larger companies, which employ more people, including unskilled youth and offer some potential as sources of employment for the MUVA target group. MUVA works with these companies in terms of enhancing recruitment and hiring processes to make them more equitable and inclusive, thereby assisting them to level the playing field for skilled vulnerable youth who want to enter the labor force.

To have a real impact on women's economic empowerment, social inclusion and poverty reduction in Africa, therefore, it is critical to take into account the needs of women at the bottom of the entrepreneurial pyramid who make up the majority of female entrepreneurs in the continent. These represent a highly diverse group of women, with different skills sets, abilities and businesses, but all of whom face multiple and often overlapping constraints due not only to their gender, but a range of other intersecting identities linked to their age, their physical ability, their mobility, their religion, their cultural background, their geography and the environment in which they live and work. All of these factors need to be taken into account when designing appropriate interventions, pointing to the critical importance of avoiding a 'one size fits all' approach, and to using methodologies that can build on local realities, listen to and respond to the voices and concerns raised by women and be flexible and adaptive in order to meet their particular needs.

It is becoming increasingly clear that addressing these women's business needs is impossible without being aware of and simultaneously addressing the underlying constraints that affect them as women, as poor women, who exist in an environment in which access to both resources and decision-making power is highly constrained. For these 'female entrepreneurs', their life challenges are intrinsically tangled with their business challenges and it is therefore critical that any 'business development intervention' recognises this and takes into account the wider constraints facing women beyond just their business needs. Only by addressing these underlying constraints can the gaps in female entrepreneurs' business performance be overcome. Only by being aware of and by actively addressing the broader social norms and underlying constraints that affect women's access to productive resources, can business development interventions effectively support and empower them.

Development interventions to support female entrepreneurs

The number of interventions, programmes and financial initiatives aimed at supporting female entrepreneurship has mushroomed in recent years, as awareness grows around the transformative role that entrepreneurship can play in empowering women, promoting social inclusion, and stimulating economic growth. These include programmes promoting female financial inclusion and access to finance, business incubators to help women to grow new ideas, business accelerators to boost existing SMEs, and provision of business development services to female entrepreneurs. Some examples of these programmes are provided in the case study boxes. Whilst many of these business development services were previously available and, in theory accessible, to women before (through gender neutral programmes that did not explicitly target women), the major change in recent years is the new emphasis on women-focused programmes, with services that were explicitly designed for and targeted at female entrepreneurs.

This is important, because while traditional business support interventions aimed to foster innovation and promote more enabling environments for SMEs, they rarely focused on gender. Incubators and accelerators have often excluded the poorer and harder to reach entrepreneurs, either due to the higher delivery costs this involves, or because business support services were too expensive for the end user. The provision of 'gender-neutral' business development interventions has been shown to reinforce negative gender stereotypes, with the inherent roles and identities of women and men in any given society often reproduced or reinforced in open entrepreneurship environments such as those created by business incubators or accelerators (Feldman 2016). Whilst, traditionally business acceleration models to overlook their potential for empowering women, and used 'gender neutral' approaches which supported any business that wished to apply, evidence showed that women tended to miss out and were not accessing the business support available to them.

Failing to target women and make these services gender-sensitive meant that the institutions providing business development services tended to replicate the same discriminatory norms that existed in society and in the general business environment in which people live. They also failed to recognise the particular cultural conditions can create additional barriers for women that make it more difficult to start or grow a business enterprise (diminished legal rights, restrictions on activities outside of the home, limited mobility and ability to travel etc). The combination of gendered attitudes, social norms and time poverty faced by women can all result in more limited access to resources critical for 'high potential' female entrepreneurship development such as education, skills, and finance (GEDI, 2015). Gender-aware business incubation holds the promise of addressing and countering some of these barriers and may even have greater benefits for women than for men and can help overcome historical gender gaps in business performance (Jaffee 2015).

It has become increasingly clear, however, that tackling the inequalities within the labour market and entrepreneurial landscape required not only women-targeted programmes and business development services, but had to be combined with a broader approach that addressed the wider social and economic environment in which women operate with a concerted effort to tackle the underlying constraints and social norms that prevent women from achieving their potential, including the huge unequal burden of unpaid domestic work and child care, as well as the gendered stereotype regarding what women can or cannot do, which often restrict their activities into lower paid less productive or less profitable sectors of the economy.

Examples of international programmes promoting female entrepreneurs in Africa

FSD Africa (Financial Services Deepening) is a UK-aid funded programme aimed at promoting access to financial services, including for women and other marginalised groups. FSD Mozambique directs its investments and insights to address constraints in the financial market, promoting economic diversification, prosperity and economic resilience, with a particular focus on women, youth and the rural low-income population, as well as small businesses that lack access to appropriate and accessible financial services. FSD supports its stakeholders to innovate and expand financial services, using technical expertise and targeted funding to boost their capacity and the people they serve.

WE-FI (Women Entrepreneurs Finance Initiative) is a \$354m World Bank Trust Fund established in 2017, financed by 13 governments and working through six different multilateral development banks (MDBs) with the objective of supporting women entrepreneurs by scaling up access to financial products and services, building capacity, expanding networks, offering mentors, and providing opportunities to link with domestic and global markets. It aims to unlock financing for women-led/owned businesses in developing countries, including in the most challenging environments, as well as assisting governments in creating enabling environments for women in business. WE-FI has financed MUVA to implement the PAM Project which is described below.

AFAWA (Affirmative Finance Action for Women in Africa) is a pan-African initiative developed by the African Development Bank to bridge the \$42 billion financing gap facing women in Africa. With three main areas of activity – financial inclusion, technical assistance, and interventions to enhance the enabling environment for entrepreneurs, the programme aims to address the three principal barriers which it believes constrain female entrepreneurs: (1) the fact that women often lack traditional collateral and guarantees, so lending to them is seen as riskier and they often face prohibitive interest rates; (2) the lack of capacity within financial institutions to understand and respond appropriately to women entrepreneurs, who also often lack the financial and business acumen to respond to the needs of financial institutions; and (3) the gender-blind legal and regulatory frameworks that often hinder women's participation in private sector growth.

Whilst the emergence of these programmes is a positive thing and one that recognises the important role that female entrepreneurs have to play within the economy and society, as well as the woeful under-provision of services they have received in the past, for such interventions to be successful and to achieve the take-up and the impact they desire, they need to be underpinned by robust social and gender analysis that leads to a more nuanced understanding of the target group they are trying to reach and the particular challenges they face. There is a danger that in the rush to meet the needs of female entrepreneurs, a 'one size fits all' approach has been promoted that assumes homogeneity of group and does not take account of the huge diversity represented by this group (particularly the specific needs of women at the bottom of the pyramid who make up the vast majority of female entrepreneurs).

This is how the MUVA approach to supporting female entrepreneurship differs. Grounded in social analysis, participatory methodologies and an emphasis on co-creating of solutions that are human-centred and draw from the problems which female entrepreneurs themselves have identified, MUVA tests out different and innovative approaches to empower women through entrepreneurship. MUVA's interventions show the importance of integrating a strong gender component into any business development training, that acknowledges and addresses the underlying social norms which can hold women back.

MUVA interventions

It is in this context that MUVA has used innovation, co-creation and methodologies such as Problem Driven Iterative Adaptation (PDIA) and Human Centred Design (HCD) to promote a different approach to working with female entrepreneurs, an approach that builds on their particular context, their own lived experiences, their understanding of the challenges they face and their suggestions around the type of solutions they would like to see.¹ MUVA's interventions not only acknowledge the diversity and heterogeneity of the female entrepreneurial landscape, but also work with the women themselves to promote a more tailored approach that is evidence-based, participatory, innovative and implemented in a way that tests, learns and then re-tries in order to ensure continuous learning, experimentation and innovation throughout the process.

MUVA+

This is an intervention that was designed to reach the bottom of the entrepreneurial pyramid, the women who work as informal sector traders selling low value perishable products in the marketplace. Following extensive fieldwork and participatory research to identify and understand the situation of these women, it was clear that these entrepreneurs have very low profit margins and do not even self-identify as 'entrepreneurs'. As the most vulnerable traders in the market, these women retail the lowest value products with the lowest profit margins (since these products rot and spoil quicker than non-perishable items sold by larger traders). MUVA's research showed that these entrepreneurs made very little investment in their businesses and tended not to invest in any processed transformation or added value to the goods they sold.

Furthermore, female traders' working conditions were considerably worse than those faced by their male counterparts. Their businesses tended to be smaller, to generate less income, and were found in sub-optimal locations. When they sell in the market, women are less likely to have a physical structure to sell their goods, often working on the ground and without shelter, which means their products are more at risk of deterioration from weather conditions (sun, heat and rain). Furthermore, informal markets have no security systems in place to protect either the women, nor their merchandise. Female traders are also more likely to suffer from working long hours, with 76% of women working between nine and twelve hours per day, with women working more hours than men.

The MUVA+ programme was designed to provide a bundled approach of self-efficacy and business training for female entrepreneurs in municipal markets in Maputo, Mozambique, targeting women who were at the bottom of the entrepreneurial pyramid. The training provided both the both soft and hard skills needed for business development, as well as basic financial literacy. It was delivered over 24 hours spread over 8 weeks in a temporary classroom set up within the market. Simultaneously, participants also receive 8 weeks of one-to-one business support mentoring at their stall in the market to help them implement the lessons from the training.

MUVA+ was implemented over three cycles. The pilot cycle started in late 2018 with about 40 women. From both, a project implementation and measurement and evaluation perspective, the pilot cycle was experimental, and several adaptations were made based on the learnings. Both the second and the third cycle were implemented in 2019. The evaluation of the project aimed to answer four main questions to understand the effectiveness of the approach:

1. Do participants improve their soft and hard skills for business?
2. Do participants implement business practices to enhance their business performance?
3. Are participants able to take more informed (based on their business' financial data) decisions regarding the use of their money?
4. Do participants manage to increase the financial outcomes of their business (mainly profits) as result of MUVA+?

¹ PDIA is a methodology developed to facilitate local identification and prioritisation of problems and then the generation, testing and refining of context-specific solutions to address these, promoting a flexible and adaptive approach. HCD is an approach to problem solving that involves putting the people you are designing for at the very heart of the process, and involving the human perspective in all steps (inspiration, ideation, implementation).

CASE STUDY: UNDERSTANDING THE REALITY OF FEMALE ENTREPRENEURSHIP IN THE GLOBAL SOUTH

To answer these questions, MUVA designed and implemented a sequence of primary quantitative and qualitative data collection exercises. Outcome-level indicators were measured via a baseline and endline survey questionnaire for all three cycles of the project and Focus Group Discussions (FGDs) were also carried out in the first cycle to triangulate and enrich the findings from the quantitative survey questionnaire. Quantitative financial impact-level indicators were also collected for all three cycles on a daily basis over the course of one week each at baseline and endline via the use of a survey questionnaire. To solve issues around seasonality bias that were detected during the evaluation of cycle 1, a comparison group of similar market sellers who did not receive the training and mentoring components under MUVA+ was also interviewed. Data was collected on their financial performance (e.g. profits, sales and costs) in a similar manner and at a similar time as for the MUVA+ participants.

The results of the MUVA+ MEL showed that across the three cycles, there was both quantitative and qualitative evidence of improved business practices and outcomes for its participants. Compared with a group of similar market sellers who did not participate in the MUVA+ training or mentoring, the profits of participants increase more. While we find that across all three cycles participants profits were higher after the project than before and in cycle 2 it was confirmed that they were also higher than that of a comparison group, these results are not statistically significant because of the size of the sample. We acknowledge that the study has limitations in terms of robustness stemming from a small sample size. Nevertheless, the results are encouraging and MUVA expresses its support for other research institutions who may be able to replicate an implementation and evaluation using a larger number of participants.

The MUVA+ participants are informal produce sellers at selected municipal markets around Maputo.² They are all female entrepreneurs who sell either fruit or vegetables (or both). Around 90% of the women sell more than just one product and over 50% sell four or more different products. The most commonly sold products are tomatoes, onions and carrots, followed by oranges, limes and mangos.

The vast majority (over 80%) of women sell their produce on a mat on the floor outside the formal market. Less than 20% sell them from a stall (“banca”), either inside or outside the market. Most of the women (90%) sell their produce as retail but around 45% also act as wholesalers for other vendors. They buy the produce they sell either directly from vendors in their own market or in one of the wholesale markets in Maputo (e.g. Zimpeto). Around 25% of the MUVA+ participants sell produce that they buy from a farm (either their own or someone else’s) and only 3% sell produce that they buy directly in South Africa.

Most of MUVA+ participants lived in households that are either poor or extreme poor households. 65% of all participants live in households that live on less than \$2.50 per person per day and 25% are from households that live on less than \$1.25 per person per day. Levels of formal education in this target group are very low – around 70% of participants have not completed primary school. The majority (61%) of the MUVA+ women speak the local language, Changana, which means that most of the trainings and mentorship components were held in this language rather than in Portuguese, the official language of Mozambique. Most of the women had been working as market sellers for many years.

In all three cycles MUVA found changes with regards to the women’s motivation and aspirations. While before the training only 53% said that they wanted their business to grow as much as possible (as opposed to saying that it’s enough for them to earn enough money for the necessities of their families). After the training and mentorship 72% had a more business-focused mind-set. There was no change with regards to the percentage of women who wanted to continue working as produce sellers (as opposed to an alternative “better” occupation). At 73%, this percentage was already high which may be explained by the fact that many of the participants had been working as produce sellers for decades.

² The participants for the first two pilot cycles were vendors at “Fajardo” market and the participants for the comparison group of cycle 2 and the cycle 3 intervention group were vendors at “Zimpeto” market, both located in peri-urban Maputo.

CASE STUDY: UNDERSTANDING THE REALITY OF FEMALE ENTREPRENEURSHIP IN THE GLOBAL SOUTH

These results were complemented with evidence from qualitative focus group discussions during the first cycle which found that the training and mentoring triggered important changes in mind-set, soft skills and aspirations for most of the participants. While most participants had been working on the market for a long time, they never had the opportunity to reflect on their role as entrepreneurs or to self-identify as businesswomen. In fact, most of them saw their role selling at the market as a survival strategy instead of a business opportunity with potential for growth. One participant described how the training facilitated this reflection: *“One question raised in the training had a big impact on me: ‘Why did I start my business?’. This allowed me to reflect and learn about where I came from and where I want to go.”* Another participant added: *“What I liked the most [about the training] was to recognise that I am a businesswoman and that I can pay myself a salary at the end of the month. Before I just felt like a beggar asking for money at the market.”*

These realizations and reflections are a crucial first step in building women’s confidence and enabling them to enhance their business skills and business practices. A person who feels like a beggar will rarely have the self-esteem or aspirations necessary to make their business grow. However, someone who feels like they occupy a legitimate profession and has a place in society can start to build the aspirations and confidence necessary to acquire competencies and make changes needed to improve their situation.

MUVA PAM

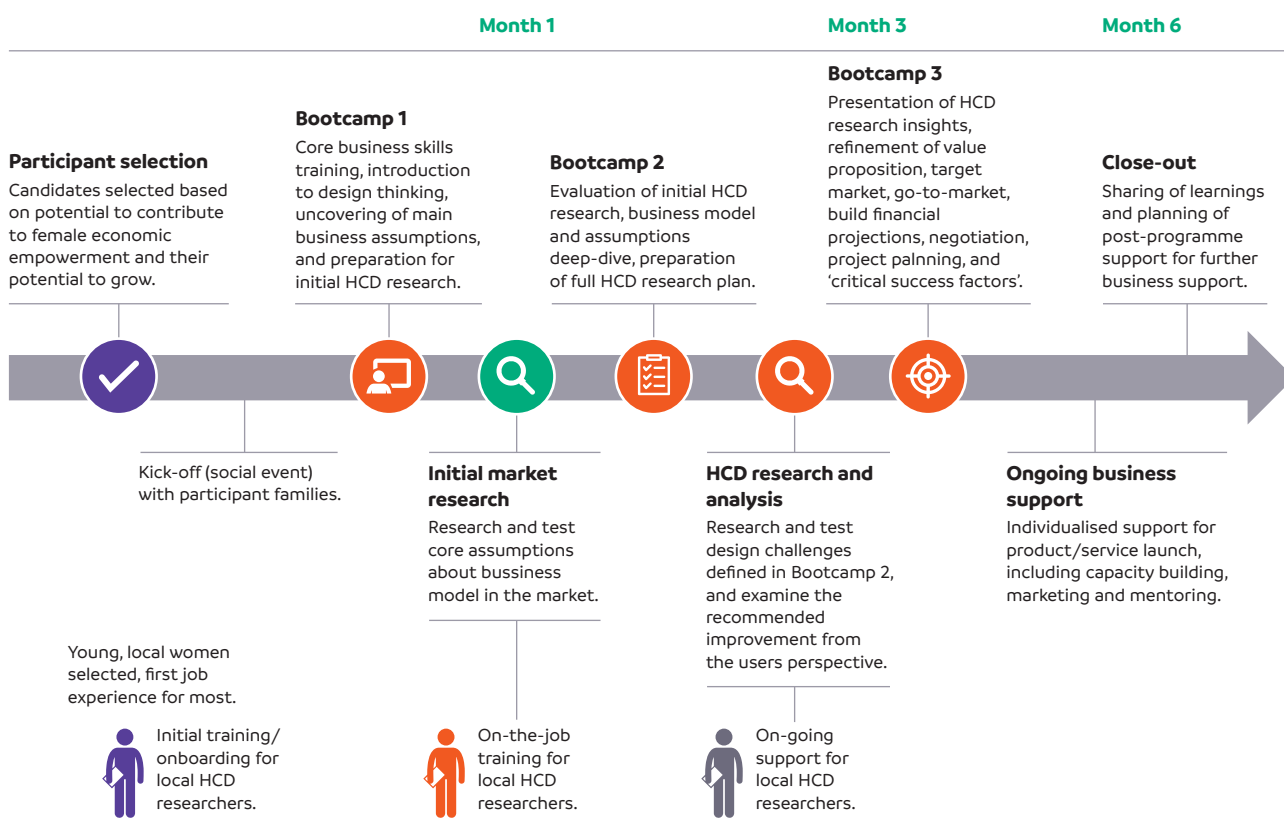
The MUVA accelerator programme was designed to reach a target group of young female early-stage entrepreneurs who would not usually have access to business incubators or accelerators due to their education levels, socio-economic circumstances or location (mostly concentrated in the peri-urban ‘*bairros*’ around the outskirts of Maputo). Described in the entrepreneurial literature as ‘constrained gazelles’, the criteria that MUVA set for its target group included age (18-30 years), newness of businesses (1 year), location (poorest neighbourhoods of Maputo), type of business (business models that were doing more than just retail and had the potential to be transformed through some value addition), lack of access to other entrepreneurial training and lack of access to grants or start-up funding (other than family support). The MUVA PAM therefore aimed to reach beyond the ‘usual suspects’ to make business development services available to a new group of young female entrepreneurs who would not otherwise have these opportunities.

The methodology of the PAM also differed from other business accelerator programmes, in that it went beyond just targeting female entrepreneurs to working with them to understand their particular constraints and thereby to develop a gender-sensitive delivery model that was based on concerns raised by the women themselves, in particular related to mobility, time poverty and childcare responsibilities. Recognising women’s time poverty and the huge domestic burden, PAM wanted to avoid putting additional time demands on women that might prevent them from attending or require them to lose precious time in the evenings, so it was agreed with entrepreneurs that bootcamps should take place during the work day, when there is still light for them to travel home safely and have time for other responsibilities. In addition, the location of the bootcamps and workshops was chosen so as not to discourage entrepreneurs, especially women with limited mobility or low self-confidence, so rather than choosing a city centre location that might be intimidating or inaccessible, MUVA partnered with a local business hub that provided a relaxed and accessible environment located next to Maputo’s biggest informal market, Fajardo.

Another unique factor of the PAM business acceleration model was its focus on Human Centred Design (HCD) and the recruitment and training of young researchers as ‘HCD specialists’ who could work alongside the selected entrepreneurs to support them to develop and use HCD tools that could enhance their businesses. This enables entrepreneurs to obtain new insights specific to their businesses as well as to receive individual mentorship and support. The entrepreneurs selected by the PAM programme therefore received a bundled package of interventions that included business development training facilitated through a practical tool kit, delivery of three bootcamps, individual mentoring and HCD research inputs (see figure 3 below).

CASE STUDY: UNDERSTANDING THE REALITY OF FEMALE ENTREPRENEURSHIP IN THE GLOBAL SOUTH

Figure 3: The PAM training cycle



MUVA's uniqueness is not only in its use of innovative gender-sensitive methodology to reach young female entrepreneurs, but also in its use of flexible and adaptive approaches to their implementation. This was critical after the outbreak of the COVID pandemic in March 2020, which forced a total rethink of the programme, not only in terms of the focus of the accelerator programme (which had previously been on growth of the business, but now had to shift to 'resilience' and survival during the pandemic), as well as a rethink of delivery methods due to new restrictions around face-to-face training. The obvious solution in these circumstances was to shift physical training sessions to online sessions, but in the context of Mozambique where the digital gender gap is one of the greatest in Africa (GSMA 2020), this was more challenging than it might appear. PAM's participants were not used to using digital technology as either a learning tool or as a business tool, with their socioeconomic situation and lack of digital literacy meaning many did not even own a smart phone. The PAM methodology therefore had to be adapted to create a blended journey of virtual and physical training that would enable them to learn and use this new technology to promote change and resilience. Recognising the constraints faced by many of the female entrepreneurs with regard to their access to technology and digital literacy, and to facilitate their participation in the newly adapted virtual format, the selected participants were presented with all the digital tools necessary to participate in the acceleration programme, namely, workbooks, low-cost smartphones and basic digital training, which were delivered to their homes. The changing circumstances also obliged the course to be run in a more concentrated format over a shorter time, providing entrepreneurs with the skills and capacity they needed to quickly respond to the crisis.

Results gathered from the MEL system of the PAM project at the end of the second cycle showed that 68% of entrepreneurs perceived that their business had improved since participating in PAM and 72% found that they had successfully increased their client base. Digitizing their businesses had helped them to increase the flow of customers and made segmentation possible. Participants also provided feedback on the value of integrating a gender perspective into the training had brought, not only in terms of understanding their client base better, but also in terms of building their self-confidence as female entrepreneurs to overcome the challenges through this difficult period, and in learning how to act as a role model and offer support to female employees facing the same challenges.

Areas for further research

This paper aims to raise questions for consideration rather than to provide answers, and we wished to conclude by suggesting a number of areas where further research would be valuable. Firstly, we would suggest a stronger focus on the type of women reached by the MUVA+ programme, in terms of creating a larger sample size that could really explore the type of results that we found in terms of interventions with this group leading to improved more resilient businesses and increased profit for the women, as well as improved outcomes for their households. This may have to be a Randomised Control Trial that could use some of the M&E tools which MUVA has already developed. Evidence gathered from this kind of trial could serve the purpose of making this target group more visible and enabling more widespread promotion of these type of interventions.

Another area that requires further research is around the value of more tailored approaches to promoting female entrepreneurship by digging deeper into understanding the reality and context of the target group and building on this to develop more specific interventions. MUVA has done this for two very specific target groups, but there are many other target groups out there for whom further research is necessary and a need to institutionalise this more contextualised approach, not only in specific interventions but also in public policies and financial institutions, to acknowledge the heterogeneity of 'female entrepreneurs' and the need for different responses.

Finally, more research is needed on how women move through the 'entrepreneurial pyramid' and what kind of intervention (and what time frame) is needed for a young woman at the bottom of the pyramid to achieve the level of an entrepreneur running an MSME that can employ more than 5 people. It would be good to have stronger evidence on what it takes in terms of both professional skills, but also soft skills and access to finance and other opportunities for this to happen, as well as more understanding of the risks and possible unintended consequences of some interventions.

Conclusions

MUVA's interventions and the evidence that has been gathered from these have pointed at the critical importance of a more nuanced approach to business development interventions for female entrepreneurs, and in particular a stronger focus on the 'bottom of the pyramid' and those women who make up the vast majority of female entrepreneurs in many developing countries and yet who have so little access to information, finance, networks, training or business development support. The value of integrating robust social analysis to better understand the context of the particular group the intervention aims to reach and the specific constraints they face, as well as the importance of partnering with this group to co-create interventions that respond to their own identified needs are all illustrated in MUVA' work. In addition, the importance of developing a gender-sensitive methodology for delivery of the intervention, that explored the importance of power dynamics and addressed the underlying social norms and gender constraints that hold women back in business was critical.

Bibliography

- Feldman, A. W. (2016). The Gender Gap in Startup Catalyst Organizations: Bridging the Divide between Narrative and Reality. Oregon Law Review.
- Global Entrepreneurship Monitor (GEM) 2016/17. Women's Report.
- GSMA (2020). The Mobile Gender Gap Report 2020.
- Jaffee & Johnson (2015). Female-Focused Business Incubation in the Triangle: An Analysis of the Need for, and Potential Design of, a Business Incubator Targeted at Women Entrepreneurs, Sanford School of Public Policy, Duke University, p.1-39.
- Lachler and Walker. (2018). Mozambique Jobs Diagnostic. World Bank. Report Number 129408.
- MGCAS – Ministry of Gender, Children and Social Protection. (2016). Gender Profile in Mozambique
- Shields, S.A. (2008, July). Gender: An Intersectionality Perspective. Sex Roles 59(5):301-311.
- United Nations (2020). Human Development Index – Gender Inequality.
- UNFPA - United Nations Population Fund (2021). Impact of COVID-19 on Gender Equality and Women's Empowerment in East and Southern Africa.
- World Bank (2019). Profiting from Parity: Unlocking the Potential of Women's Business in Africa.
- World Bank Group (2021). Enterprise Surveys: Follow-up on COVID-19, Mozambique 2020.

