



The Enabling Environment For Women In Growth Enterprises In Mozambique

The Enabling Environment For Women In Growth Enterprises In Mozambique:

Assessment Report

ILO-WEDGE-Southern Africa

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Foreward

The small business sector plays a crucial role in Mozambique's development and is identified as a key tool for economic growth, job creation and poverty alleviation. (Mozambican Poverty Reduction Action Plan 2011-2014 Priority 1. Stimulate the creation of employment.) The global recession holds significant challenges and opportunities for small entrepreneurs in general and even more so when viewed from a gender perspective. Women generally lack the necessary resources for starting and developing their own businesses due to gender based barriers, Mozambican women entrepreneurs often still remain in the periphery of the economy.

The International Labour Organization (ILO) is working to advance opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity. Its main aims are to promote rights at work, encourage decent employment opportunities, enhance social protection and strengthen dialogues in handling work-related issues. The Small Enterprise Development Programme of the ILO has a dedicated programme focusing on Women's Entrepreneurship Development and Gender Equality (WEDGE). WEDGE has developed and established a robust methodology and a wide range of tools for supporting women entrepreneurs and their service providers. The research documented in this report is part of a WEDGE project funded by the Norwegian Agency for Development Cooperation (Norad). The WEDGE project follows a development and rights-based approach which aims to satisfy the practical needs of women entrepreneurs, to remove socio-cultural, legal and political barriers for women entrepreneurship and to advocate for an enabling environment for business development and gender equality.

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Introduction

As part of the WEDGE Mozambique project, four (3) Separate pieces of research were commissioned and written by various Mozambican consultants to assist the project team in implementation of the project from 2009-2011. This report consists of a compilation of these four research reports with the aim of further contributing to the body of knowledge in Mozambique about women entrepreneurs. The reports have a specific focus on growth oriented women entrepreneurs. This research should be utilized by national and provincial decision makers and business development service providers to better understand the operational and legislative and environment for women entrepreneurs in Mozambique.

The responsibility for opinions expressed in these pieces of research rests solely with their authors, and publication does not constitute an endorsement by the International Labour office of the opinions expressed in them.

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Table of contents

Acknowledgements	4
List of abbreviations used	7
Executive summary	9
List of recommendations	11
1 Introduction	15
1.1 Objectives of the research	16
1.3 Methodology	16
1.4 Limitations of the research	16
2 Framework conditions affecting gender equality and the development of women's enterprises	17
2.1 Constitutional and national legal frameworks	17
2.2 Political participation	18
2.3 Government frameworks for planning and development	19
2.4 Economic environment	19
2.5 Women-owned enterprises	20
3 Assessment of the enabling environment for women's enterprise development in Mozambique	21
3.1 Policy leadership and coordination	21
3.2.1 Ministry of Women and Social Action	21
3.2.2 Council for the Advancement of Women	21
3.2.3 Ministry of Commerce	22
3.3.4 Gender related budgeting	22
3.2 The legal and regulatory framework for women's entrepreneurship	23
3.1.1 Family Law and women in business	23
3.2.2 Labour Law	23
3.2.3 Decree on Simplified Licenses for Micro and Small Business	24
3.2.3 Feminisation of the informal economy	24
3.3 The promotion of women's entrepreneurship	24
3.3.1 The experience of women in business	24
3.3.2 Government entrepreneurship promotion efforts	25
3.3.3 Other entrepreneurship promotion programmes	25
3.4 Access to enterprise education and training	26
3.5 Access to financial services	28
3.6 Access to business development services	30
3.7 Participation in business associations and networks	31
3.8 Access to business premises	33
3.9 Access to markets	34
3.10 The state of research on women's enterprises	35
4 Conclusions and recommended actions	37
4.1 Policy leadership and coordination for women's enterprise development	37
4.1.1 Summary of findings	37
4.1.2 Recommendations	37
4.2 The legal and regulatory framework for women's enterprise development	37
4.2.1 Summary of findings	37
4.2.2 Recommendations	37
4.3 The promotion of women's entrepreneurship	38
4.3.1 Summary of findings	38
4.3.2 Recommendations	38

4.4	Women's access to enterprise education and training	38
4.4.1	Summary of findings	38
4.4.2	Recommendations	39
4.5	Women's access to financial services	39
4.5.1	Summary of findings	39
4.5.2	Recommendations	39
4.6	Women's access to business development services	40
4.6.1	Summary of findings	40
4.6.2	Recommendations	40
4.4	Women's participation in business associations and networks	40
4.7.1	Summary of findings	40
4.7.2	Recommendations	41
4.8	Women's access to business premises	41
4.8.1	Summary of findings	41
4.8.2	Recommendations	41
4.9	Women's access to local, national and international markets	41
4.9.1	Summary of findings	41
4.9.2	Recommendations	41
4.10	The state of research on women's enterprises	42
4.10.1	Summary of findings	42
4.10.2	Recommendations	42
	References	43

List of abbreviations

AfDB	African Development Bank
ACTIVA	Mozambican Association of Enterprising and Executive Women
ASSOTSI	Association of Informal Sector Workers
BDS	Business Development Services
BdPES	Balanco do Plano Economico e Social
CADUP	Cada distrito um produto- One District one product
CCCP	Caixas Comunitárias de Crédito e Poupança
CCC	Caixa Cooperativa de Credito
CCOM	Caixas Comunitárias de Operadores de Microfinanças
CEDAW	Convention on the Elimination of all forms of Discrimination Against Women
CNAM	National Council for the Progress of Women
CNE	Comissão Nacional de Eleições (National Electoral Commission)
CORE	Mozambique Centre for business guidance
CTA	Confederation of Business Associations
DNM	National Directorate for Women
EVTS	Employment and Vocational Training Strategy
FARE	Fundo de Apoioa Reabilitacao Economica (Funds for facilitating the economic rehabilitation)
FDC	Foundation for Community Development
FEMME	Federation for Women Entrepreneurs in Mozambique
FSTAP	Financial Sector Technical Assistance Programme
GOWE	Growth Oriented Women Entrepreneurs
GRB	Gender related budgeting
IFAD	International Fund for Agricultural Development
ILO	International Labour Office
INE	Instituti Nacional de Estatistica (National Statistics Office)
INEFO	National Institute for Employment and Vocational Training
INNOQ	National Institute of Standards and Quality
IPEME	Institute for the Promotion of Small and Medium Enterprises
ISPG	Polytechnic Institute of Gaza
ISCTEM	Higher Education Institute for Science and Technology of Mozambique
MFI	Micro Finance Institution
MMF	Mozambique Micro Finance Institution
MMAS	Ministry of Women and Social Action
MEDA	Mennonite Economic Development Associates
MPD	Ministry of Planning and Development
NGO	Non Governmental Organizations
PGEI	Gender Policy and Implementation Strategy
PNAM	National Plan of Action for the Advancement of Women
PARPA	Plan of Action for the Reduction of Absolute Poverty
RFSP	Rural Finance Support Programme
ROSCA's	Rotating Savings and Credit Associations

STAE	Secretariado Técnico da Administração Eleitoral (Technical Secretariat of Electoral Administration)
SD	Solemn Declaration on Gender Equality in Africa
UNDP	United Nations Development Programme
UNIDO	United Nation Industrial Development Organization
WEDGE	Women's Entrepreneurship Development and Gender Equality Project

Executive summary

This report reviews the main features of the business environment for women entrepreneurship and small and medium enterprise development in Mozambique. Special focus is given to the barriers and possibilities for the development of women-owned enterprises in urban and rural areas.

The research was sponsored by the International Labour Organization's Women's Entrepreneurship Development and Gender Equality project. The International Labour Organization (ILO) aims to advance opportunities for women and men in the attainment of decent and productive work in conditions of freedom, equity, security and human dignity. It promotes rights at work, encourages decent employment opportunities, enhances social protection and strengthens dialogue in handling work-related issues. Through its Women's Enterprise Development and Gender Equality project in Mozambique (WEDGE-Mozambique), the ILO aims to promote women's entrepreneurship and to support women entrepreneurs to create decent employment, achieve women's empowerment and gender equality as well as work towards poverty reduction.

The report is based on the proposition that if women are equipped with the necessary resources, skills and opportunities to start stronger businesses, and if they are more readily able to pursue the growth potential of these enterprises, the economy will benefit through reduced poverty, from greater employment and from economic growth.

Overall 95 percent of economically active Mozambicans work in the informal economy and 59 percent of the informal workers are female. Women workers in both the formal and informal sectors of the economy suffer gender-based discrimination. Mozambique's Gender-related Development Index ranks the 149th of 156 countries for which data is available.

The assessment focused on ten broad elements of the enabling environment for women's enterprise development:

1 Policy leadership and coordination for women's enterprise development

It was found that Mozambique does not have a specific policy framework for women's enterprise development. There is a general

reliance on the broader policy framework, which enables human rights, small and medium enterprise development and economic growth. The Strategy for the Small and Medium Enterprise, the Gender Policy and Implementation Plan and the National Action Plan for Women's Advancement, along with other policy and programme instruments are designed to implement the national theme of economic development as detailed in the Plan of Action for the Reduction of Absolute Poverty.

2 The legal and regulatory framework for women's enterprise development

The legal and regulatory framework for business in Mozambique does not contain any instruments that are specifically designed to respond to the barriers or constraints faced by women in business. While the framework levels of the playing field for women and men in this regard, it does not recognise the gender-specific concerns of local businesspeople. The only legal and regulatory instruments found to address gender-based disparities is the Family Law Act.

3 The promotion of women's entrepreneurship

The Ministry of Commerce facilitates economic growth and has established the Institute for the Promotion of Small and Medium Enterprises (IPEME) as the implementing arm for small and medium enterprise development programmes. However, these programmes do not recognize the need to develop entrepreneurship promotion programmes specifically targeted at women.

4 Women's access to enterprise education and training

One of the pillars of the Plan of Action for the Reduction of Absolute Poverty is concerned with the development of human capital, focussing on the development of labour, technical and scientific capacities. Further, the Strategic Plan for Education and Culture considers the expansion of access to better quality basic education to be essential in terms of creating and sustaining new opportunities for the poorest and marginalised groups including

women. One prevailing problem is the high rate of failure for all education types and levels. This problem affects all the provinces and seems to show homogenous characteristics between rural and urban areas. It is a gender related problem with higher failure rates for females than males.

5 Women's access to financial services

Women face enormous constraints, especially when trying to mobilise working capital for expanding or diversifying their business. A general lack of collateral leads to a situation where women are limited to gaining access to finance through savings and credit groups and group-based mutual guarantee micro-credit.

6 Women's access to business development services

Business development services are an important component of entrepreneurship development. Poor management and lack of training are some of the key factors leading to business failure of small and medium enterprises. Most of the business development service providers are government-owned with limited outreach and are located in major urban areas. This was found to be due to inadequate infrastructure outside the major towns, in particular the lack of a good communication systems and a good transport system. As such, business development service providers and other support services continue to shun unattractive and inaccessible locations. It was also found that some business development service providers offer irrelevant services, which are not customized to suit the needs of the entrepreneurs.

7 Women's participation in business associations and networks

If democratically operated and member-based women's entrepreneurship associations could play an effective role in representing the needs and concerns of businesswomen and advocating on gender-related issues, promoting women's enterprises and providing business support, some of the women entrepreneurs' challenges would be addressed. Mozambique has various types of formal, semi-formal and informal economic and social associations but many businesswomen are not aware of women's entrepreneurship associations or of the benefits that come from membership.

8 Women's access to business premises

There are a number of challenges regarding the access businesswomen have to appropriate business premises. These include issues of proximity to profitable markets, poor and expensive transport systems, and inappropriate facilities in terms of hygiene and recreational needs for businesswomen with children.

9 Women's access to local, national and international markets

Poor access to markets, inadequate finance and lack of exposure to formal small business management techniques all provide challenges to existing businesses. To mitigate the lack of access to markets, small and medium enterprises need better access to information, access to technology, greater participation in the regional economy and attendance of business owners to regional and international trade fairs.

10 The state of research on women's enterprises

Limited gender disaggregated data and lack of coordination in research emerged are major gaps identified in the state of knowledge about women entrepreneurs in the Mozambique.

In conclusion the report provides recommendations on how to improve the institutional and legislative system as well as on how to remove barriers to the development of women entrepreneurship and small and medium enterprises in general. A list of recommendations contained in this report is presented in the following pages.

List of Recommendations

Recommendations to improve policy leadership and coordination for women's enterprise development

- 1 It is recommended that the Government of Mozambique formulate strategies and action plans that specifically promote women's enterprise development to address the specific challenges businesswomen and potential businesswomen encounter and coordinate the implementation of the strategies through the Ministry of Industries and Commerce (MIC) and IPEME.
- 2 It is recommended that the Government of Mozambique facilitate trade and industry sector specialists to enter into dialogue with Growth Oriented Women Entrepreneurs (GOWE) Specialists to find common ground, language and vision; clarify roles and responsibilities and identify areas for collaborations and partnerships.
- 3 It is recommended that the Government of Mozambique ensure national budgets include enterprise development programmes designed for women.

Recommendations to improve the legal and regulatory framework for women's enterprise development

- 4 It is recommended that the Government of Mozambique enable access to national incentives in small enterprise development through gender sensitive private sector development and fiscal policies and legislation such as legislation on:
 - The taxation of female-owned enterprises;
 - Procurement policies to ensure that women benefit equally from economic opportunities, including those created through public procurement processes; and
 - Labour to correct the situation for rural workers where women are the majority and there is unbalanced payment for work and address issues of sexual harassment as it is not clearly defined in any legislation.
- 5 It is recommended that ILO-WEDGE and other United Nations initiatives that promote women

entrepreneurship and gender engage in efforts that support partner organisations to lobby and popularise gender responsive small and medium enterprise policies, laws and regulations.

- 6 It is recommended that ILO-WEDGE and other United Nations initiatives that promote women entrepreneurship and gender engage in efforts that support partner organisations to identify discriminatory laws in order to inform the lobbying and popularisation of gender responsive SME strategies and legislation.

Recommendations to improve the promotion of women's entrepreneurship

- 7 It is recommended that the Government of Mozambique through the ILO, programme "Developing Entrepreneurship among Women with Disabilities" develop activities aimed at promoting entrepreneurship amongst women with disabilities including young entrepreneurs.
- 8 It is recommended that the Government of Mozambique through the MIC design programmes to facilitate information sharing regionally amongst businessmen, especially ACP countries.
- 9 It is recommended that the Confederation of Business Associations (CTA), in collaboration with Ministry of women and social affairs (MMAS) and IPEME, promote networking platforms for women in business through annual events and competitions such as "Month of the Women Entrepreneur", the "Woman Entrepreneur of the Year" and "Woman in Business Management Award to serve as role models for promoting entrepreneurship amongst women.
- 10 It is recommended that IPEME coordinate and work with women's enterprise associations, education institutions, and the private sector to promote an enterprise culture among young women.

Recommendations to improve women's access to enterprise education and training

- 11 It is recommended that IPEME develop and implement capacity building programmes to BDS providers, universities, research

institutions, trade of producer associations, industry leaders and other actors to improve efficiency, productivity, and product quality in value chains especially to female-owned enterprises. The IPEME should collaborate with the National Institute for Employment and Vocational Training (INEFP) and the Higher Education Institute for Science and Technology of Mozambique (ISCTEM) in designing and providing training on technology for women.

- 12 It is recommended that IPEME collaborate with relevant government agencies and development partners to identify agricultural support institutions to train businesswomen in improved cultivation methods, provide extension services to ensure adequate pest control taking into consideration internationally approved quality standards, irrigation schemes and seed production.
- 13 It is recommended that IPEME collaborate with relevant government agencies and development partners to promote the creation of farmers associations to be involved in the marketing of produce, storage and in mills and agro-industries.
- 14 It is recommended that ILO WEDGE establish a collaborative relationship to explore collaborative work in the areas of innovation-women inventors, non-traditional areas of employment such as engineering, petro-chemic, architecture, design, and media amongst others
- 15 It is recommended that IPEME develop a profile of women artisans and raise awareness and promote the field. IPEME should facilitate collaborations between CEDARTE and higher education institutions in the area of art and employment in order to develop relevant capacity building programmes.

Recommendations to improve women’s access to financial services

- 16 It is recommended that IPEME develop customised programmes to support the growth of female-owned enterprises, in business planning and management, which will incorporate linkages with finance programmes.
- 17 It is recommended that IPEME, in collaboration with development partners, provide training on gender mainstreaming and reporting to key

personnel in the financial services sector. This should include strategies for the creation of gender-sensitive financial services and products designed to uplift women-owned enterprises.

- 18 It is recommended that the Confederation of Business Associations (CTA) and women entrepreneur associations (WEAs), with the support of ILO-WEDGE, lobby commercial banks to establish specialist finance windows for women and their enterprises.
- 19 It is recommended that IPEME, with the support of development partners, develop capacity of micro-finance institutions to effectively service the low-income populations.
- 20 It is recommended that IPEME promote collaboration between micro-finance institutions and commercial banks to develop referral system for businesswomen who have outgrown micro-finance services and require higher-level loans.
- 21 It is recommended that IPEME promote collaboration between financial institutions and BDS providers to enable access to BDS and credit on referral system.

Recommendations to improve women’s access to business development services

- 22 It is recommended that MMAS collaborate with IPEME and development partners in the design of a comprehensive capacity building programme for BDS providers on how to assess and respond to BDS markets and how to mainstream gender issues in their services.
- 23 It is recommended that IPEME collaborate with ILO-WEDGE and introduce packages for developing women entrepreneurs, such as the ILO’s Women Entrepreneurship Development programme, Start and Improve Your Business programme and Expand Your Business programme. This will require these programmes to be adapted and translated for use in Mozambique and other entrepreneurship development programmes such as the ones promoted by Enterprise Mozambique.
- 24 It is recommended that IPEME to collaborate with ISPG and ISCTEM in the training and certification of BDS service providers to be able to provide the above programmes and link

up with existing service providers where such providers exist.

- 25 It is recommended that IPEME develop linkages with service providers that assist entrepreneur's access markets and develop gender sensitive market access promotion programmes, including gender-inclusive value chain analysis.
- 26 It is recommended that IPEME promote annual exhibitions of products and services provided by women entrepreneurs, supported by the ILO's Improve Your Exhibiting Skills.
- 27 It is recommended that IPEME, in collaboration with WEAs and the media publicize innovative ideas from women entrepreneurs, especially in the fields and sectors that are normally a male domain. This should include the introduction of a competition on women entrepreneur's best-designed business plans.
- 28 It is recommended that ILO-WEDGE, in collaboration with partner organisations, strengthen the advocacy role of women entrepreneurs' association through building their capacity (e.g., through ILO's Capacity Building for WEAs) and access to increased funding.

Recommendations to improve women's participation in business associations and networks

- 29 It is recommended that IPEME and ILO-WEDGE, in collaboration with other development partners or gender equality programmes, develop a database profiling the WEAs and identify opportunities and areas for collaborative work.
- 30 It is recommended that the MMAS, with the assistance of the ILO, develop good practice case studies to build evidence to enhance the profile of businesswomen in the society and economy.
- 31 It is recommended that the ILO support the establishment of a Women into Business Management Award that would be celebrated either during Global Enterprise Week in November or on Mozambican Women's Day.
- 32 It is recommended that IPEME, in collaboration with MMAS, develop mentorship programmes

using businesswomen as role models, to build capacity through knowledge transfer and guidance.

- 33 It is recommended that ILO-WEDGE establish a forum for all development partners and non-government organisations involved in gender development activities to ensure alignment and coordination as well as information sharing including establishing best practices.

Recommendations to improve women's access to business premises

- 34 It is recommended that IPEME, in collaboration with municipalities, conduct a baseline study on the existing market facilities and how those may be improved taking in consideration its environment and location, vendors and sellers. This could also be an opportunity to identify good practice examples and possibly identify a minimum standard to aim towards.

Recommendations to improve women's access to local, national and international markets

- 35 It is recommended that IPEME, in collaboration with INNOQ, build the capacity of businesswomen to develop quality goods in order to increase exports.
- 36 It is recommended that IPEME promote the establishment of processing businesses by small and medium enterprises and facilitate the identification of relevant markets for processed goods.
- 37 It is recommended that the government embark on an escalation of capital projects, including roads, irrigation and electricity infrastructure to address the challenge of isolated rural zones and enable access to markets.
- 38 It is recommended that IPEME conduct studies to ensure that production and market development interventions are according to the potential or available resource in the area. These studies will enable an investigation of all industries including food processing, handicraft, art design, tourism and recreation, and will inform the relevant sectors to be promoted in the particular area or province.
- 39 It is recommended that the MIC and IPEME review public procurement policies, including

advocating for the procurement policies of the private sector and development partners to be gender sensitive, in order to present procurement opportunities for women-owned enterprises. A programme to build the capacity of women-owned small and medium enterprises to supply according to requirements and standards could be developed and rolled as part of the procurement policy reform.

- 40 It is recommended that the MIC work with the International Finance Corporation to facilitate subcontracting and other public procurement opportunities for female-owned enterprises and develop monitoring and evaluation procedures in order to observe its impact on businesswomen.

Recommendations to improve the state of research on women's enterprises

- 41 It is recommended that IPEME engage local leaders in dialogue to assess the potential of women entrepreneurs in meeting local and sector needs.
- 42 It is recommended that IPEME produce information that identifies barriers to the growth of female-owned enterprises and highlights specific areas for action.
- 43 It is recommended that local universities collaborate in collecting and generating gender-related data and longitudinal socio-economic studies in order to develop case studies of good practice.
- 44 It is recommended that the ILO, in collaboration with OTM-COMUTRA, conduct a study to map gender equality practices, in different sectors, from the findings develop good practice case studies and present them as role model examples of Gender Mainstreaming Good Practice.
- 45 It is recommended that the national statistics office regularly collect and disseminate gender disaggregated data on small and medium enterprises.
- 46 It is recommended that ILO-WEDGE, in collaboration with IPEME and MMAS, conduct a baseline study on existing market and incubator facilities to evaluate their

responsiveness to vendors.

- 47 It is recommended that ILO-WEDGE ensure its assessments engage and connect with women entrepreneurs at the grassroots level, above and below the poverty line, to supplement official statistics.
- 48 It is recommended that the national statistics office review its definition of economic activity and current sampling and interviewing procedures employed in obtaining to reflect their contribution in the economy in addition to their reproductive and child nurturing roles.
- 49 It is recommended that the national statistics office collaborate with research institutions and development partner in conducting research to investigate the reality of women entrepreneurs' exploitation of opportunities and the extent to which traditional values and beliefs stop women from taking up identified opportunities.

1 Introduction

The International Labour Organization (ILO) works to advance opportunities for women and men through the attainment of decent and productive work in conditions of freedom, equity, security and human dignity. It promotes rights at work, encourages decent employment opportunities, enhances social protection and strengthens dialogue in handling work-related issues.

The Decent Work Country Programmes have become the main instrument for ILO cooperation with member states. These programmes are a tool to deliver on a limited number of national priorities over a defined period and aim to address major decent work deficits through efficient programmes. Combating discrimination is an essential part of promoting decent work, and economically empowering women is one way of promoting gender equality and economic growth through small enterprise development.

The Women's Enterprise Development and Gender Equality project in Mozambique (WEDGE-Mozambique) is part of a wider ILO programme in women's entrepreneurship development. It aims to promote women's entrepreneurship and to support women entrepreneurs to create decent employment, achieve women's empowerment, gender equality and contributes to poverty reduction. The programme seeks to facilitate various dimensions for women such as enabling easy access to business development and financial services, as well as increasing, political and social opportunities in the arena of entrepreneurship development.

Low-income women have traditionally have contributed to productive activities, such as small-scale agriculture, agro-processing, crafts and home industries, as well as trade and commerce. However, there has been a tendency to underestimate their economic roles and their participation in economic development.

The statistics presented by the National Institute for Employment and Vocational Training show that job and vocational training opportunities were previously mainly taken by men (Wilén 2009:17). While employment creation statistics between 2005 and 2009 indicate an astounding improvement from 97 percent for men and three percent for women, to 58 percent and 42 percent in 2009 respectively, there are still disparities that need to be addressed in order to level the playing field. The statistics further

show that the informal sector, which comprises of family businesses, employs 98 percent women in comparison to two per cent of men, whilst the formal sector employs 41 percent women in comparison to the 59 per cent men (Wilén 2009:17).

Such positive strides within formal employment must be applauded. However, research shows that many women entrepreneurs in Mozambique continue to experience challenges. These include knowledge of legal obligations, limited accounting and management skills, lack of collateral, and lack of confidence in negotiating access to finance with banks and other financial institutions as they do not understand the financial language and related laws (Wilén 2009:45). Such gender related disparities need to be addressed not as a human rights issue but as a response to the issues raised in a number of studies which have shown a link between gender inequality and poor economic growth (Deinger & Squire 1998).

The ILO's Women's Entrepreneurship Development programme is a response to these challenges. The project follows a development and rights-based approach, which aims to satisfy the practical and strategic, needs of women entrepreneurs, to remove the socio-cultural, legal and political barriers for women entrepreneurship and to advocate for an enabling environment for business development and gender equality (Stevenson et.al., 2007:xi). This is being done through a three-pronged strategy aiming to:

- Create an enabling environment for women's entrepreneurship development and gender equality,
- Build the institutional capacity of agencies involved in women's entrepreneurship development and gender equality, and
- Develop tools and support services for women entrepreneurs to improve their productivity.

In order to develop responsive programmes that create an enabling environment for women entrepreneurs in Mozambique, the ILO has commissioned an assessment of the women's entrepreneurship development environment in Mozambique, the outcome of this assessment will be used to inform future national and ILO strategies on the promotion of women entrepreneurs and to add to the knowledge base in entrepreneurship development.

1.1 Objectives of the research

The report is a synthesis of qualitative and quantitative data from secondary sources into findings on the extent to which initiatives address the gaps and/or presents barriers to the growth and development of women's enterprises. Comprising of mainly six reports: WEDGE-Mozambique Programme Document, January 2009 – May 2011 (ILO 2009); Baseline Study Report on WEDGE Mozambique (Wilén 2009); Women Entrepreneurship in Mozambique (Sachikonye 2008); Women's Entrepreneurship and Gender Mainstreaming in Mozambique (Angove 2009); Assessment of Supply and Demand for Financial Services by Growth Oriented Women Entrepreneurs (GOWE) in Mozambique, (Sibanda 2010). It details the situation facing women entrepreneurs in Mozambique with particular emphasis on the status of the enabling environment for women's enterprise development. These include small and medium enterprises legislation and policies that establish a favourable climate for start-up businesses and for business growth, as well as policies that enable equal opportunities.

In investigating the environment in which women entrepreneurs operate in, the assessment will therefore probe the following core areas;

- Policy leadership and coordination;
- Regulatory and legal issues;
- Promotion of women's entrepreneurship;
- Access to enterprise education and training;
- Access to credit and financial services;
- Access to BDS and information services;
- Access to women's entrepreneur associations and networks;
- Access to business premises;
- Access to markets; and
- The state of research on women enterprise.

1.3 Methodology

The methodology draws from the African Development Bank (AfDB) and ILO Integrated Framework Assessment Guide (Stevenson et.al., 2007) and the Consultants Guide to Assessing the Business Environment for Women's Entrepreneurship Development (White 2008). With input from previous research projects carried out by the United Nations Development Programme (UNDP) and ILO in this subject area (2008-2009) the main objective is to produce a consolidated report of these assignments which will feed into a wider policy debate for the

support of women entrepreneurs by the Government of Mozambique, public enterprises, ILO constituents and civil society organisations through policy dialogue and ultimately change.

The assignment employed a three-phased approach:

1. Review of literature review;
 2. Synthesis and analysis the findings; and
 3. Preparation of the Assessment Report.
- 1.4 Limitations of the research

Although the terms of reference and expected outputs are clearly articulated, there were several limitations that were identified during the compilation of the report. These are:

- Reliance on secondary data: Each of the reports had specific terms of reference that were not necessarily aligned with the data requirements of the ten core areas. This limited the research findings. In addition, referencing, especially with regards to legislation, was limited as the actual policies, laws and regulations were not available for further analysis. Further, the secondary data provided was skewed towards providing an urban overview of the small and medium enterprises sector when 70 percent of the national population resides in the rural areas. To counter this challenge additional data was sourced through the Internet.
- Data credibility: The secondary sources presented conflicting statistical data, where possible these statistics were verified with statistics from adopted official reports.
- The duration of the exercise: Although three consultants were assigned to the exercise and their different proficiencies were designed to ensure a thorough investigation of the overall enabling environment, there was no allowance for sourcing of primary data. To counter this limitation additional information requirements were requested from the ILO Mozambique office as well as sourced through the Internet.

2 Framework conditions affecting gender equality and the development of women's enterprises

This chapter examines the broader framework conditions in which gender equality and women's enterprise development occur in Mozambique. These framework conditions lay the foundations for a more detailed analysis of the enabling environment for women's enterprise development, which is presented in Chapter 3.

The framework conditions are assessed under the following themes:

- Constitutional and national legal frameworks for gender equality and women's enterprise development;
- Political participation by women;
- Government institutional frameworks for gender equality and women's enterprise development; and
- The social and economic environment.

The majority of the population (approximately 70%) is rural and employed in the agricultural sector. The majority of women (87.3%) are engaged in agriculture whilst 68 percent of men work in this sector (Namburete 2009: Table 24).

2.1 Constitutional and national legal frameworks

Mozambique has a plural legal system. Statutory law, based on Portuguese civil law, is applied alongside customary law. The Government of Mozambique has the overarching role of developing appropriate policies and laws, and creating an enabling environment to promote private investment and active participation of its citizens in economic growth and development.

The constitution of the Republic of Mozambique (2004) maintains and consolidates gender equality in Article 122. It states that the "The State promotes, supports and values the development of women and encourages their growing role in society, in all spheres of political, economic, social and cultural activities in the country".

The Constitution and its amendment in 2007 have

made significant inroads in levelling the ground for women by outlawing discrimination and promoting equality of all before the law. However, there has been an inordinate delay in reviewing laws and policies to bring them up to speed with the Constitution and other international treaties and agreements approved and ratified by the Parliament. In practice, there are still a number of discriminatory customary norms in place. This is particularly the case in regards to inheritance matters and family relations, which adversely affect women socially and economically¹.

The following Articles of the Constitution provide a foundation for the creation of an enabling environment for women's development through entrepreneurship:

- Article 18, on International Law, provides for the ratification of international treaties and agreements once they have been officially published and whilst they are internationally binding on the country. The norms of the international law are given the same force in the Mozambican legal order.
- Article 35 is a section that promotes equality before the law.
- Article 36 presents the principles of equality in the spheres of political, economic, social and cultural life.
- Article 96, on economic policy, broadly commits to the provision of a fundamental base for development and distribution of national wealth.
- Article 109 grants all citizens the right to use land for the creation of wealth and social wellbeing: "Land may not be sold or otherwise disposed of, nor may it be mortgaged or subject to attachment". Thus, this prevents the use of land as collateral for business loans and can restrict enterprise development opportunities.
- Article 111 recognises and protects rights to land acquired through inheritance or by occupation.
- Articles 122 and 125 are specific provisions that promote, support and value the development of women and people with disabilities. These articles also provide for women's development in political, economic, social and cultural life,

¹ Go to: <http://genderindex.org/country/mozambique>

the recognition of women's participation in the national liberation struggle and the defence of the sovereignty and democracy of the country, as well as the creation of conditions necessary for the economic and social integration of people with disabilities.

Chapter I of the Constitution declares: "State economic policy shall be directed towards laying the fundamental basis for development, improving the living conditions of the people, strengthening the sovereignty of the State, and consolidating national unity, through the participation of citizens and the efficient use of human and material resource."

Coupled with Article 122, this assumes that the development of economic policy shall take into cognisance gender disparities to ensure a fair playing field.

Mozambique's commitment to international human rights includes:

- The Convention on the Elimination of All Forms Discrimination Against Women
- Mozambique is a signatory to 18 ILO conventions, including the eight core labour conventions
- Solemn Declaration on Gender Equality in Africa (adopted by the Heads of State and Governments of Member of States of the African Union in July 2004)
- Southern Africa Development Community Declaration on Gender and Development 1997
- SADC Protocol on Gender and Development

2.2 Political participation

The electoral system is based on proportional representation. However, there is a debate among academics over the effectiveness of this representation. Some question the democracy of the list system, arguing that Members of Parliament are not accountable to people who vote for them, but to the party structures that choose them to the lists. Others praise the list system for allowing women to be elected to the parliament, where otherwise they would hardly get elected.

While the representation of women in decision-making structures is apparent, these are not enshrined in the Constitution. Thus, a gender representative legislature and executive government cannot always be ensured (see Foundation for Community Development 2008:25).

Since the selection of women in primary elections is not legislated, each party has its own scheme of including women in their lists. Some parties alternate women and men, or at least include women in eligible positions to ensure that they are represented in the elected posts. In recognizing that women represent the majority of the population and have specific needs and concerns, all political parties have a women's wing, known as the "women's league". These leagues play an important role in the mobilization of female voters. They are responsible for addressing the issues that affect women, but are often challenged due to a lack of resources to carry out their activities and because of limited representation of women in decision-making structures. To a limited extent, the inclusion of women in the party decision-making structures has contributed to inclusion of gender issues in the intra-party debates. Parties have included gender in their internal debates and in their manifestos.

The Comissão Nacional de Eleições (CNE), or National Electoral Commission, is made up of 13 commissioners, of which three are women. The structure of the management body, known as the Secretariado Técnico da Administração Eleitoral (STAE) or Technical Secretariat of Electoral Administration is comprised of 59 members at national and provincial levels, of which only ten are women. Men chair both these bodies. Thus, gender is not integrated into the procedures of these bodies and there is no specific assignment for gender issues (Namburete 2009:30-37).

The governance structure comprises the legislature and the executive. Currently, representation of women in parliament is 37.2 percent and includes the presence of a female vice president, a female head of the parliamentary wing as well as five other women forming 30 percent of the Parliamentary Standing Commission. At the executive level, the present speaker is a woman, while over 20 percent of other ministers are female.

There is a set of structures responsible for the coordination and promotion of gender equality in the country. This includes the:

- Ministry of Women and Social Action (MMAS);
- National Council for the Progress of Women (CNAM), an advisory body tasked with coordinating the implementation of gender policy;
- Female Members of Parliament Cabinet;
- Social Welfare Commission for Gender and Environment; and

- Various civil society organisations.

In addition, gender units and gender focal points have been established and appointed respectively in all sectors at central, provincial and district levels. Overall these are mechanisms created with the objective of influencing gender responsive planning and budgeting processes and are meant to be catalysts for gender issues to be placed on the agenda of sectoral programmes (Tvedten, et. al., 2008:13).

Despite some of the positive developments regarding the presence of women in governing positions and in the civil service, women in Mozambique still have lower levels of education than men, less access to formal employment, lower income levels, and lower productivity in the agricultural sector. Women are also exposed to socio-cultural practices, which make it more difficult for them to become fully integrated into the politics of local communities.

This may be interpreted to mean that women are given political and legal rights without this translating into real gender equality, which would challenge the existing hegemonic patriarchal socio-cultural model. Despite the importance granted to women in the construction of independent Mozambique, this emancipation was limited to the public sphere and did not include the spheres of economic and domestic life (Tvedten et. al., 2008:31-35).

2.3 Government frameworks for planning and development

The long-term vision for development, Agenda 2025, was prepared in 2003. It sets out broad development goals and has informed the Five-Year Development Plan (2005-2009) and the subsequent drafting of the second poverty reduction strategy (2006-2009), known as the Action for Reduction of Absolute Poverty (known as PARPA by its Portuguese acronym).

The PARPA guides the strategic direction of the country and provides a framework for poverty reduction. The PARPA identifies private sector development as an integral strategy for economic development. The PARPA has three pillars: governance, human capital and economic development. It treats gender as a crosscutting issue.

The PARPA presents two main types of actions to address gender inequality. The first are those of an indirect nature, referring to economic growth processes that aim to reduce poverty for all. The second types of actions are of more direct nature,

referring to social programmes designed to enhance education and health, and to enable women and their dependents to overcome mitigate poverty and vulnerability.

The PARPA pillar concerning economic development is concentrated on the basic conditions of pursuing productive activities, such as improving infrastructure, reducing bureaucratic blockages and establishing legislation that guarantees property rights and stimulates increased productivity and innovation. This pillar includes priorities such as inter-sectoral coordination required to guarantee increased productivity in agriculture and related sectors, as well as the development of the banking and financial system to enable compliance with the task of retaining savings and actively financing productive operations, particularly those of small and medium enterprises.

The PARPA elements supported by the ILO Decent Work Country Programme support programme related to women's enterprise development include (ILO 2009:14):

- Creating jobs and improving the quality of employment and self-employment;
- Strengthening the family sector of the economy;
- Increasing access to micro-credit;
- Promoting women's associations and building their skills; and
- Converting the informal sector to a formal one.

Chapter 3 (Section 3.1) provides details on the government institutional framework for women's enterprise development.

2.4 Economic environment

Mozambique's economy is relatively diversified. Agriculture, transport, manufacturing, energy, fisheries, and tourism make important contributions to the economy. Agriculture is one of the most important sectors of the country as it involves 80 percent of the national population (Sachikonye 2008:10).

The 2005 national survey produced by the Instituto Nacional de Estatística (INE), being the National Statistics Office, found that women constitute 51.8 percent of the national population of 21.7 million and 53.8 percent of the total national labour force, which is estimated at 10,191.8 million. This places women in Mozambique as not only major stakeholders in the economy, but also major contributors to economic development (Sachikonye 2008:15).

Since 1992, Mozambique has embarked on a series of macroeconomic reforms designed to stabilize the economy. This has resulted in dramatic improvements in the country's growth rate. The economy grew at an average of eight percent per annum from 1994 to 2005. However, this growth was largely driven by large projects such as Mozal, the largest aluminium producer in Mozambique and second largest in Africa, as well as foreign investments that have been coming into the country (Sibandana 2010:6). Despite such strides, 54 percent of the population continue to live below the poverty line of \$1.25 per day and the poverty rate for female households is at 63 percent compared to 53 percent for male-headed households (World Bank 2007). These rates reflect a reduction of four percent in female-headed household poverty compared with an 18 percent reduction among male-headed households (World Bank 2008).

While the country has posted positive economic growth in recent years, the growth of the private sector has been slow. Part of the challenges of growing the local private sector is the limited technical skills and the limited access to appropriate finance (Sachikonye 2008:10).

While modernisation has opened up economic opportunities in some areas, it has also led to a decline in traditional sources of income for many women, such as those engaged in the production of handmade items in the north of the country. In the agricultural sector, the introduction of mechanization and new technologies has generally displaced small producers and disrupted traditional systems of production and the eco system (Wilén 2009:42).

2.5 Women-owned enterprises

Mozambique defines business size according to the number of staff it employs (Sachikonye 2008:12):

- Small enterprises employ up to nine employees;
- Medium enterprises employ ten to 99 employees; and
- Large enterprises employ more than 100 employees.

Based on this definition, there are approximately 28,500 small and medium enterprises employing over 240,000 people and contributing 50,491,874 Metical (Mt) (US\$1,442,625) worth of the business volume.

National data on small and medium enterprises is generally not gender disaggregated. As a result, it is difficult to determine the percentage of women-owned small and medium enterprises or their specific contribution to economic growth.

A 2008 study identifying the needs and capacities of businesswomen found that 74 percent of the female respondents operate individually owned businesses and only three percent of enterprises were owned by women's associations, with the remainder by other associations (Sachikonye 2008). This study found that businesswomen tend to operate multiple-sector businesses, also known as "portfolio entrepreneurship". This diversification can be associated with a survivalist approach, which may affect growth potential as they focus on more than one area of business at the same time.

The 2009 Women's Entrepreneurship and Gender Mainstreaming in Mozambique report found the female respondents to be operating businesses predominantly in Trading (17%), Manufacturing (16%), Agriculture (16%), Tourism, Hotel and Restaurants (13%), Poultry Breeding (7%), and the Service sector (7%) (Angrove 2009:12).

The informal sector survey (INE 2005) indicates that most businesswomen in the informal sector had no formal education and that the majority of women in Mozambique are illiterate (cited in Sachikonye 2008:26). National adult literacy is at 52.2 percent (Wilén 2008:8). However, female illiteracy is considerably higher at 35.5 percent, which could be a contributing factor to women's limitations in understanding business related information (Sachikonye 2006:9).

The legal and cultural factors constraining women's development is generally reflected in the ability of female-owned enterprises to grow and prosper. Although there are improvements in the Mozambique Human Development Index, rating 0.398 in 2001 to 0.458 in 2006, when basic indicators are disaggregated by sex, it becomes clear that many women are clearly at a disadvantaged compared to men, particularly with regards to women's participation in the decision-making process (Foundation for Community Development 2008:2).

3 Assessment of the enabling environment for women's enterprise development in Mozambique

This chapter provides an in-depth analysis of ten elements of the enabling environment for women's enterprise development:

- Policy leadership and coordination for women's enterprise development;
- The legal and regulatory framework for women's enterprise development;
- The promotion of women's entrepreneurship;
- Women's access to enterprise education and training;
- Women's access to financial services;
- Women's access to business development services;
- Women's participation in business associations and networks;
- Women's access to business premises;
- Women's access to local, national and international markets; and
- The state of research on women's enterprises.

3.1 Policy leadership and coordination

Coordinated policy leadership is an integral component in effecting improvements in the business enabling environment for women entrepreneurs. When assessing this element of the enabling environment, consideration was given to:

- Specification of women as a target group in the government's small and medium enterprise development and entrepreneurship policies, and private sector development plans;
- Recognition that women (and women entrepreneurs) are not a homogeneous group, as there are different groups of women with varying characteristics, aspirations, economic circumstances and needs, thus requiring different forms of support;
- The presence and effectiveness of a focal point for women's enterprise development within one or more government units. This focal point should take account of the interests of the full range of women entrepreneurs, including those who are growth-oriented, those with disabilities, and those living with HIV/AIDS.

3.2.1 Ministry of Women and Social Affairs (MMAS)

In an effort to promote the advancement of women, government established the Ministry of Women and Social Affairs (MMAS). The MMAS promotes and monitors policies and programmes in the areas of women and gender. Although mandated to advance women's economic issues from a broader human rights perspective, the Ministry of Industry and Commerce (MIC) is responsible for national enterprise development (see 3.2.3, below).

The MMAS runs a job placement programme for vulnerable, poor and unskilled people, targeting unskilled women. It aims to secure temporary employment for beneficiaries to enable them to acquire basic working skills whilst receiving the national minimum wage. Up to thirty percent of the beneficiaries are absorbed into regular employment, mostly in the government departments they were placed in during the programme (Wilén 2009:56).

This ministry needs institutional support and capacity building, especially at provincial level, to effectively carry out its mandate. There is also the view that the ministry places additional burdens on women because it provides very little support for the social dialogue it requires (Wilén 2009:33).

3.2.2 Council for the Advancement of Women

Government has established a Council for the Advancement of Women (CNAM) to coordinate the implementation of gender policy. The Gender Policy and Implementation Strategy (PGEI) and several related laws form part of the national gender promotion initiatives in Mozambique.

In 2002, the first National Plan of Action for the Advancement of Women (PNAM) was developed, incorporating the different objectives, strategies and activities. The purpose of the PNAM is to reduce gender inequalities in education, health, agriculture and institutional mechanisms for the advancement of women.

The gender policy was formulated as a national five-year plan for the advancement of women (2005-2009). This plan has seven strategic objectives concerning:

- Women, poverty and employment;
- Education and training for women and girls;
- Women, health and HIV/AIDS;
- Women's rights and violence;
- Women in power, decision-making and media;
- Women, the environment and agriculture; and
- Coordination, implementation and monitoring mechanisms for the action plan.

Overall it focuses on the promotion of women's participation in political, social and economic affairs; provision of support to women in vulnerable situations especially the youth and the elderly; as well the provision of social justices to those needing such services (Angrove 2009:17).

At legislative level, the Social Welfare Commission for Gender and Environment seeks to redress gender imbalances through the adoption of relevant legislation and adequate resourcing of gender mainstreaming activities (Government of Mozambique 2008:28).

With a mandate to oversee the coordination and monitoring of gender policies and programmes, this structure has provincial presence in 116 districts (Wilén 2009:33). However, the Commission needs institutional support and capacity building especially at provincial level and is presented with number of challenges in the absence of a law reform exercise specifically targeting gender discriminatory laws (Sachikonye 2008:14).

Regardless of the presence of a coordinating and monitoring body (i.e., CNAM), the success in promoting gender equality and empowerment will only be realised if an overall perspective is adopted—one that takes into account the involvement, articulation and reinforcement of key sectors to avoid disjointed and ineffective efforts and to dissuade the view that gender is niche subject rather than an overarching concern in development.

3.2.3 Ministry of Commerce

The MIC has the mandate to facilitate economic development through land use, forestry, mining, and energy, job creation, imports and exports is also tasked with the development of the private enterprise sector, including women's enterprises.

In 2008, the MIC established the Institute for the Promotion of Small and Medium Enterprises (IPEME) to facilitate the development of a conducive environment for the growth of small and medium enterprises. The IPEME runs five programmes, none of which are specifically designed to support women:

- One District One Product (CADUP);
- Demonstration Centres;
- Mozambique kitchen;
- Mozambique Centre for business guidance (CORE); and
- Business Incubators.

3.3.4 Gender related budgeting

In 2002, government adopted the Public Finance Management Reform law. As part of the reform, UNIFEMs Gender Related Budgeting (GRB) programme developed links with decision makers responsible for national planning and finance processes. The CNAM implements GRB. GRB is not about creating separate budgets for women or solely increasing spending on women's programmes. Instead, it seeks to ensure that the collection and allocation of public resources is carried out in ways that are effective and contribute to advancing gender equality and women's empowerment. GRB analysis, along with legislation and other practical measures can address gender bias and discrimination².

The GRB programme in Mozambique seeks to ensure that national budget processes and policies reflect gender equality principles. The priorities of poor women are reflected in sectoral budget allocations for national programmes addressing poverty and knowledge and learning on GRB facilitates replication of good practices and exchange of lessons learned.

In 2009, the United Nations Development Fund for Women (UNIFEM) conducted an evaluation of the progress towards gender-responsive budgeting in Mozambique (UNIFEM 2009). This evaluation praised the inclusion of gender issues and indicators in the second PRSP and consistent reporting on gender in the formal PRSP review mechanism. It recognised the increased levels of engagement by women's organizations in a national mechanism for monitoring government progress on its policy commitments. However, while the CNAM was found to be institutionally appropriate, it is politically weak. The decision to link the programme

² UNFEM interview with Dr. Francelina Romao; Gender Advisor to the Minister of Health in Mozambique

with a newly created and institutionally weak gender oversight mechanism such as the CNAM reduced the direct influence of the programme on other parts of government.

3.2 The legal and regulatory framework for women's entrepreneurship

The legal and regulatory framework has a direct affect on the prospects of women to successfully start and expand a business. Particularly important are systems of laws regarding women's equality, how the regulatory environment impacts on small and medium enterprises and the degree of ease or complexity in registering an enterprise.³ Below is an assessment of the various legal and regulatory instruments that have a potential impact on women's enterprise development.

3.1.1 Family Law and women in business

The adoption of the Family Law in Mozambique is perhaps the most important law defending women and gender equality. It recognizes customary unions, allowing women married under customary law to claim property and custody rights. It recognises informal unions, giving women who have lived with their partner for more than one year the right to inherit. The Family Law increased the minimum age of marriage to 18 years, from 14 years for girls and 16 years for boys, protecting girls from early marriages, and eliminated the principle of male supremacy by giving men and women joint administration of property and illegalizing polygamous unions, but the family code contains no penal measures to prevent it (Tvedten et. al., 2008:36).

Women's access to land in Mozambique is governed by two different systems: the traditional system and the state system. The traditional system comprises of customary laws, which effectively limit women's right to use land and specify that this right can only be acquired through marriage.⁴ The state system reflected by the Constitution, stipulates that all ownership of land shall vest in the state, but grants men and women equal rights to use it.⁵

By law, women who are single, divorced or widowed have the same rights as men in relation to access to property other than land. If married under the community of property regime, women must obtain

the consent of their husbands when acquiring or when managing such assets and, in theory, husbands must reciprocate. In practice this consent is only requested when women are attempting to acquire property. In many cases it is requested of women who did not even marry under the community of property regime.⁶

Challenges still remain with the application of the Family law as it does not contain penal measures to prevent polygamy, nor does it address issues of patrilineal and matrilineal customs, which grant custody of children to the father or mother depending on the system.

3.2.2 Labour Law

The Labour Law protects maternity and infant childcare rights during pregnancy, parturiency, and nursing without loss of remuneration and without being exposed to work harmful to their health or their reproductive functions. Further, Article 28 of the Labour Law also provides for the employment rights of people with disabilities and those with chronic illnesses as well as the adoption of appropriate measures to protect them.

Research shows that women workers in both the formal and informal parts of national economy suffer gender based discrimination; a fact reflected in Mozambique's Gender-related Development Index which ranks them 149th out of 156 countries for which data is available (ILO 2009:4). Mozambique is signatory to 18 ILO conventions including the eight core labour conventions and it is a willing party state. Two of these, the Equal Remuneration Convention and the Discrimination (Employment and Occupation) Convention, are gender specific. The review of the Labour Law in 2006 was an effort to domesticate these conventions.

The Labour Law (Article 4, Principles of Labour Law) prohibits any form of discrimination between an employer and an employee, on the basis of sexual orientation, race and HIV/AIDS. Article 28 provides for the employment of people with disabilities and the adoption of appropriate measures to protect them. This law also addresses the discrimination on the interpretation and application of the Law.

³ Stevenson L, St-Onge A, Finnegan G (2007) Assessing the Enabling Environment for Women in Growth Enterprises: An AfDB/ILO Integrated Framework Assessment Guide, Geneva p23).

⁴ Go to: <http://www.genderindex.org/country/mozambique> (gender equality and social institutions in Mozambique, accessed 02/10/2010)

⁵ The Land Act 19/97 (article 10) states that "men, women as well as local communities have the right to use of land".

⁶ Go to: <http://www.genderindex.org/country/mozambique>

Article 10 protects the rights of working parents and guardians by guaranteeing special maternity, paternity and infant child care rights. Article 11 awards special rights to female employees, more specifically on dignity it states that female employees shall be respected and any act against their dignity shall be subject to disciplinary proceedings and punished by law. This law defines and establishes a framework for enterprises to develop appropriate policies for individual and collective employment relationships.

The Labour Law is silent on discrimination on grounds of marital status.

3.2.3 Decree on Simplified Licenses for Micro and Small Business

In 2007, the government embarked on reform of the registration and licensing processes. The Decree on Simplified Licenses for Micro and Small Business aims to improve the operational and financial performance of small and medium enterprises (Sachikonye 2008:12). However, a baseline study found that many entrepreneurs were still not registering their business due to fear of costs, including those who perceived themselves as operating good businesses. This has resulted in many enterprises remaining informal, unregistered and without bank accounts and usually conducting temporary activities to help diversify the family income that are organised in local circuits (Wilén 2009:34).

3.2.3 Feminisation of the informal economy

Many women entrepreneurs remain in the informal economy because of barriers (actual and perceived) to the business registration and licensing processes (Stevenson et. al., 2007).

According to the World Bank, several measures to improve the investment climate have resulted in an improvement of Mozambique's ranking in the ease of doing business from 140th place to 134th place. Efforts include transferring the authority of issuing licenses to "one-stop-shops" situated provincially; the electronic publishing of by-laws which has reduced the time it takes to start a business from 113 days to 29 days; reduced number of procedures; and reduced business registration costs by two thirds. This reform is expected to translate into ease of formal registration and licensing of women's enterprises. However, many entrepreneurs are operating unregistered businesses due to fear of costs (Wilén 2009:56).

⁷ It is of note that the findings could be affected by that the majority of the sample (85%) was urban based and therefore may be better sensitized about their individual rights than women in rural areas.

The business environment continues to be affected by the legislative environment and information asymmetry and limited information about business related laws and administration procedures (Sachikonye 2008:18).

3.3 The promotion of women's entrepreneurship

The assessment team sought to determine the prevailing perceptions about women as entrepreneurs, e.g., the level of legitimacy they have in their entrepreneurial role, and the degree of their visibility and credibility in the economy. Furthermore, the assessment team collected information on promotional activities, and note the extent to which positive role models are being created.

3.3.1 The experience of women in business

In order to provide a snap shot of the business environment in the SME sector, the ILO carried out a qualitative research with a sample of 180 businesswomen and 46 male entrepreneurs (Angrove 2009). This research was conducted in four regions in Mozambique: Maputo City, Maputo Province, Sofala and Nampula. The findings show that 29 percent of the female respondents perceived themselves as not having the key abilities and skills for managing their own businesses, especially in the areas of financial management, human resources management and marketing and communications. Similarly, the data on technical skills showed that less than ten percent of the female respondents had these skills even though over forty percent of the female respondents had been operating their businesses for over five years. Forty percent of the female respondents were found to have ICT skills.

Previous research by the ILO for the WEDGE-Mozambique project identified one of the main barriers to women's enterprise development as culture and customs (Wilén 2009:16). The Angrove (2009:13) report findings show that 47 percent of the female respondents indicated they made business expenditure decisions without consulting with a family member, whilst 11 percent decided with their spouses, eight percent with their children, and only four percent left such decisions to their husbands. In addition, 70 percent of female respondents in this study did not believe that traditions, beliefs and community practices negatively affected the opportunities for women's enterprises to grow and prosper (Angrove 2009).⁷

While the government has generally recognised the role and contribution women make to the private enterprise sector, there are many obstacles businesswomen face. Sachikonye (2008) asked businesswomen to rank ten constraints affecting their businesses. The findings show that access to finance was the highest ranked constraint. Other highly ranked constraints were “social and cultural factors” and the policy, legal and regulatory framework. A 2007 survey of 70 businesswomen in Mozambique found that the main motivation for establishing business was perceived market opportunity. This was found among 48.5 percent of respondents, while 24.2 percent had established their business due to their dissatisfaction with their employment and 20 percent in response to unemployment. Only 12.8 percent had established their businesses due to income needs and 4.2 percent due to self-realization (Serra 2007).

More than half the respondents of this survey believed it was easier for men to be entrepreneurs in Mozambique. They pointed out that managing male employees, balancing work and family life, gaining access to capital, and being taken seriously as a business owner is much more difficult for women than for men. However, only 25.7 percent indicated that their business activities affected their family negatively, mainly as a result of the time demands the business placed on them. Good time management (59.6%) was identified as the best strategy for handling business and family life, while 42.3 percent indicated that they used domestic employees for household chores.

In the Sachikonye (2008:51) survey, female respondents found it more difficult to separate time spent on the business and time spent on family responsibilities. Some women were operating businesses because of the flexibility it provided. In the rural areas, the survey found that a number of businesses were set up at home, making it even more difficult to separate the two.

3.3.2 Government entrepreneurship promotion efforts

Although there is no specific policy framework for women’s enterprise development in Mozambique, the National Plan of Action for the Advancement of Women 2007-2009 (PNAM) identifies seven critical areas for intervention designed to strengthen institutional capacity.

The IPEME focuses broadly on small and medium enterprise issues and enables opportunities for

women enterprise development issues to be acknowledged and addressed at national policy and programme level. This presents an opportunity for the establishment of a focal unit or person within the IPEME to specifically address women’s enterprise development issues.

The range of government-supported enterprise initiatives and programmes are listed below.

Rapid Development Zones

Rapid Development Zones (RDZ) have been established in the Niassa Province, Nacala District, Mozambique Island, Ibo Island and the Zambezi Valley (Sachikonye 2008:10). RDZs have not been designed to respond to gender issues or the promotion of women entrepreneurs. The success of this initiative is not yet clear (Sachikonye 2008:43-44).

One Province One Product

The CADUP (One Province One Product) programme is aimed at stimulating and steering rural communities to produce for consumption and for competitive markets through the integral and sustainable utilization of natural resources. The initiative was borrowed from the Japanese “one village one product” concept and has the ultimate goal to improve the quality and quantity of goods by means of transformation and diversification; promoting compliance of local and international packaging requirements; brand promotion; and ultimately increasing income and the quality of life of the communities.

Demonstration Centres

The Demonstration Centres programme is designed to promote agro-processing activities and is a part of the Rural Industrialization Strategy. Demonstration centres offer training in processing best practices that add value to raw materials and promote the use of existing and under-utilized materials. To complement the training, it is combined with entrepreneurship concepts and business management in order to promote the creation of new small enterprises. This programme is implemented through a tripartite agreement between IPEME, the Foundation for Community Development (FDC) and the Polytechnic Institute of Gaza (ISPG).⁸ Although none of these activities specifically target women or people with disabilities they serve to promote entrepreneurship. The objective of undertaking promotional activities is to raise the profile of entrepreneurship as a viable option and as an entitlement for women with and without disabilities, as well as to increase

⁸ For more information go to: www.ipeme.gov.mz

the visibility of women's entrepreneurial activity (Stevenson et. al., 2007). Based on the absence of promotional programmes and activities targeting women, and initiated by the government, including the IPEME, there is a reliance on the development partners, women's organisations, the media and other stakeholders to strengthen this role.

3.3.3 Other entrepreneurship promotion programmes

WEDGE-Mozambique facilitates women enterprise development by pursuing a rights-based approach. WEDGE aims to address the practical needs of women entrepreneurs, to remove the socio-cultural, legal and political barriers for women entrepreneurship and to advocate for an enabling environment for business development and gender equality (ILO 2009). In November 2009, WEDGE-Mozambique established the Month of the Women Entrepreneur (MOWE). This initiative organises events to promote networks to share experiences that enable feasible solutions to challenges faced by businesswomen. Officially launched by the women and social affairs minister, the MOWE is a collaborative effort between the Mozambique Institute of Science and Technology, the MMSA, women's enterprise associations (ACTIVA, AMEM and FEMME) and the disabled person's organization (ADEMO).

Whilst to some degree the contribution of women's enterprises are acknowledged and often times celebrated in the urban to peri-urban areas, very little recognition is given to women entrepreneurs in the rural areas. This is largely due to the fact that women in rural areas embark on projects mainly for survival. Their engagement therefore in entrepreneurship is often times for the basic needs of their families. Recently a television programme (STV) hosted by Anna Bella was launched, aimed at recognizing women's achievements. The women to appear on the show are recommended by ACTIVA (Wilén 2009:28). Other institutions involved in the promotion of women entrepreneurship are the non-governmental organizations such as:

- Aga Khan Foundation: aims to create or strengthen an institutional structures at village level through which people determine priority needs and decide how best to manage common resources in the interests of the community as a whole. Training programmes support the effectiveness and sustainability of the village institutions by providing the management and technical skills needed to plan, implement and maintain local development activities.
- Lurdes Mutola Foundation: established in 2001 as a youth driven grant-making foundation, working towards providing youth services needed to further development through education, sport and entrepreneurial opportunities through collaborations with local partners (Wilén 2009:28).
- National Forum of Community Radio: offers interventions in the areas of institutional development, information and communication; lobbying and advocacy; monitoring and evaluation and community participation on a national scale. Established in 2004, the forum has over 60 stations spread across the country, including community tele-centres and community television, and has expressed a willingness to partner with the ILO in the use of the Forum to raise Mozambican Women Entrepreneurs profile and to raise awareness of the business case for gender mainstreaming (Angrove 2009:35).
- The Artisan of the Month initiative, whereby CEDARTE promotes and gives a global exposure to an Artisan every month by profiling them on CEDARTE's website.
- Month of the Women Entrepreneur: Introduced in Mozambique by ILO WEDGE Mozambique through the Higher Institute of Science and Technology (ISCTEM).
- Global Entrepreneurship Week: organised by the Mozambique Institute of Science Technology with other partners.

Whilst some efforts and initiatives are being undertaken to promote women entrepreneurs, more still needs to be done in this area more so because most of the awards are not gender specific. The programmes should also be planned, consistent and regular.

3.4 Access to enterprise education and training

Typically, Mozambican women continue to be associated with their traditional household roles, rather than for the contribution they make to the economy. This is most often found in the problems girls have in accessing education (Wilén 2009:23). Women have challenges in running competitive businesses caused by their relatively low education and skill levels, which generally limits their access to various enterprise support services, including training (Aswaddalai 2009). Yet, studies have constantly shown that women's higher levels of education, comprising strong numerical skills, contribute to their ability to understand business issues, their capacity to receive

appropriate skills and their ability to move their enterprises to higher levels. According to the informal sector survey (INE 2005) most women entrepreneurs in the informal sector had no formal education and the majority were illiterate (Sachikonye 2008:26).

The Education Policy recognises the gender disparities in access to education. According to the 2007 Human Development Report for Mozambique, the overall school enrolment for female students is 48.1 percent. However, the sector continues to show considerable improvement. The rate of illiteracy amongst women, although still high, has been

decreasing over the years, from 74.1 percent in 1997 to 66.2 percent in 2004.

One prevailing problem is the high rate of failure for all education types and levels. This problem affects all the provinces in both rural and urban areas. It is a gender related problem with higher failure rates for females than males (Government of Mozambique 2008:26). Adding to this challenge is that school leavers have few of the skills required by the business sector, where they would otherwise be absorbed.

Many Mozambican businesses lack knowledge in areas such as business strategies, technical skills, market access, access to finance, and government regulations, making it imperative for all business promotion activities to incorporate entrepreneurship development and business training components. The Sachikonye study (2008:28) found that only 11.95 percent of the respondents had business management skills and 11.5 percent accounting and auditing skills. The survey further highlighted the lack of technical skills among women entrepreneurs.

In order to address this problem, government has introduced entrepreneurship skills into the school curriculum, with assistance from the United Nations Industrial Development Organization. The programme shows young people from an early age the way to a productive future. The pilot scheme was launched in 2005 with an initial four schools and 960 students, extending to eight schools with 2,600 students in 2006. In 2007, the United Nations Industrial Development Organization expanded the operation on a national scale to include 42 schools with a total of almost 12,000 students. Students range in age from 13 to 21. While initially the United Nations Industrial Development Organization trained teachers in entrepreneurship skills, this

function is gradually being taken over by local staff during the course of the project. The number of schools participating in the programme was expected to further increase to 214 in 2009, with a total of 129,700 students, rising to 270 schools in 2010.

The Entrepreneurship Curriculum Programme aims to foster entrepreneurial attitudes. Before they enter the business world, students have a chance to learn the basic skills necessary to identify what people are interested in buying, how to turn opportunities into business and how best to manage enterprises in a competitive environment. They are shown the importance of paying attention to the community as well as the natural environment. They also acquire the qualities of creativity, innovation, resourcefulness, planning and leadership that are the trademarks of successful entrepreneurs. The course combines three elements: classroom teaching, the involvement of prominent entrepreneurs who serve as role models, and practice in starting a business while they are still at school. The expansion of entrepreneurial human resources will form a national foundation for a growth oriented economic environment. It will also represent an important step towards the reduction of poverty by producing a sufficient number of new entrepreneurs to build up a competitive private sector in Mozambique.⁹

The following are enabling aspects for WED enterprise education and training:

- National Policy and Strategy on Gender (NPSG): includes a focus on education and training favouring the most vulnerable female and male groups; seeks to integrate gender components in sector plans and programmes, and contributes to the government's efforts in promoting equality of rights and opportunities between women and men (Namburete 2009:11-12).
- Plan of Action for the Reduction of Absolute Poverty (PARPA): includes a concern for the development of human capital, focussing on the development of labour, technical and scientific capacities.
- Strategic plan for Education and Culture: prioritises the expansion of access to better quality basic education for the poorest and marginalised groups including women.
- Education Policy: recognises the disparities in access to education and promotes equality and equity in accessing education for girls through the creation of a gender sensitive environment (Namburete 2009:43).

⁹ Go to: <http://www.unido.org/index.php?id=553> (Developing a head for business; accessed 07/10/2010)

- Technical Education and Vocational Training system: recently reviewed to improve its quality and responsiveness in relation to the labour needs.
- Institute for the Promotion of Small and Medium Enterprises (IPEME): provides entrepreneurship training and management skills.
- Higher Education Institute for Science and Technology of Mozambique: incorporates the entrepreneurship syllabus into courses such as dental technology and architecture, to prepare them for private practice--also provides a mentorship programme that incorporate leadership skills (Angrove 2009:29).

In addition to government efforts to provide education and training, there are development partners and non-governmental organisations providing entrepreneurship training targeting women. These include:

- WEDGE-Mozambique: promotes women's entrepreneurship by creating an enabling environment for women's enterprises and increasing the capacity of the institutions that promote WED activities.
- Community for Academic Development (CADI): an NGO established in 2001 with funding from the trained teachers. CADI is a capacity building initiative aimed at promoting business and entrepreneurship management skills. Currently CADI is operating four programmes (Wilén 2009:57).
- The ACCESS programme: a training of trainers programme established in 2006, in which CADI is the focal point for the ITC ACCESS programme.
- Entrepreneur Development Programme: a training and linkage programme with a turnover of 100 women, targeted at rural businesswomen. Established in 2004 and funded by the Finnish Embassy, the programme is operated in three provinces: Cabo Delgado, Niassa and Nampula.
- INWENT: a training and facilitation trade Africa export programme funded by the German Government that includes facilitating buyer-seller meetings in South Africa. Targeting male and female entrepreneurs, the programmes focus is in the central provinces of Manica, Sofala, Inhambane, and Maputo.
- Developing Entrepreneurship among Women with Disabilities: this programme helps women with disabilities and women with disabled persons to access a comprehensive range of services supporting the set up, management and

growth of their income generating activities (Sachikonye 2008:14).

- Centre for the Study and Development of the Artisan: a not-for-profit organisation established in 2006 aimed at building the capacity of artisans regardless of gender in three areas: (1) business management, quality control, stock management, teamwork and organisational development; (2) design which promotes the use of high profile designers, looking at the environmental harvest and sustainability issues affecting raw materials to create designs; and (3) marketing which addresses issues such as the development of business relationships, made in Mozambique product standards and added value opportunities (Angrove 2009:30).

3.5 Access to financial services

One key element that affects the growth and productivity of women-owned enterprises is access to appropriate finance. Various studies point out that women face gender-based barriers in addition to other common barriers (Sibanda 2010, Sachikonye 2008, Wilén 2009).

According to the Mozambique Chamber of Commerce (MMF 2008 cited in Sibanda 2010:8) financial services have remained inaccessible for the majority of low income and rural population with less than five percent of the Mozambican population having access to credit. Banking coverage is low, at one agency per 82,000 inhabitants or one agency per 3,782 km². In response to this, a number of micro-finance institutions are expanding their services into rural communities to address this limitation (Sachikonye 2008:65).

A report on the stability of Mozambique's financial system, conducted by the IMF in 2004 concluded that the Mozambican financial system was dominated by banks rather than by a more diversified range of financial institutions such as insurance and leasing companies, brokerages, pension funds and credit unions. The report further established that the loan portfolio of finance institutions is highly concentrated increasing their vulnerability to credit risk and reducing access to finance for enterprises.

There are more than eleven commercial banks and approximately 32 micro-finance institutions operating in Mozambique. Four of the commercial banks were initially set up as microfinance programmes and later registered as commercial banks in order to broaden the services and products

offered to low income persons. It is estimated that microfinance institutions collectively service 67,312 active borrowers. A positive development has been the emergence of financial institutions with credit lines for small and medium enterprises, some of which are owned by women, such as NOVO BANCO, Tchuma (Cooperativa de Credito e Poupanca) Socremo, and Caixa Cooperativa de Credito (CCC).

These factors limit the use of the facilities as the rates are unsustainable for the levels of their business profitability (Sibanda 2010:9). A survey conducted by the Confederation of Business Associations in Mozambique highlighted that the access small and medium enterprises have to loans and overdraft facilities from formal banks was low, as the table below illustrates.

Table 1: Use of bank finance by firm size, 2002

Enterprise Size	Overdrafts Provided (%)	Loans Provided (%)
Micro	0.0	16.7
Small	5.5	18.2
Medium	10.3	35.9
Large	21.9	40.6
Very Large	41.2	58.8

SOURCE: Sachikonye (2008:15)

The reforms in the financial sector, including the creation of an independent Central Bank (i.e., the Bank of Mozambique) and the liberalisation of the financial sector have facilitated the creation of commercial banks that are more sympathetic to the small and medium enterprise sector (Sibanda 2010:8-9).

The MIC has prepared programmes to address the constraints faced by small and medium enterprises when obtaining finance. The lack of access to capital will be addressed by building the technical capacity of financial and non-financial intermediaries. Furthermore, the government has launched a package of initiatives targeted at reducing the operational costs of providing banking services in rural areas through infrastructure improvements and by relaxing reserve requirements in rural branches so as to increase cash in vault (Sachikonye 2010:15).

While financial liberalization has led to the growth of financial institutions that are more sympathetic to the small and medium enterprise sector, these are largely concentrated in urban cities especially in Maputo (Sachikonye 2008:15). Commercial banks are generally risk-averse and find small and medium enterprises risky hence the stringent risk mitigation requirements for granting them loans. Furthermore, the commercial banks initially established as micro-finance institutions, and are supposedly more sympathetic to small and medium enterprises, albeit quick in processing loans, offer amounts that are too low for business requirements, and with interest rates of 72 percent per annum have much higher interest than commercial banks (36% per annum).

Despite the liberalisation of financial services the Mozambique financial system lacks products and services earmarked for the advancement of growth oriented women's enterprises. The majority of financing institutions are concentrated in urban areas (Sibanda 2010:8-10). The emergence of programmes such as CMN, Kukula, Project Hope and the Hunger Project, that exclusively target women, provide micro-finance services and do not address the broader needs of small and medium enterprises in terms of venture capital finance, working capital finance and overdraft facilities (Sachikonye 2008:16).

According to Sachikonye (2008), access to credit and financing is one of the main concerns for businesswomen. Similarly, a survey conducted by Mennonite Economic Development Associates concluded that the most pressing need for small and medium enterprises in Maputo was access to working capital to diversify products, make new purchases and expand their businesses. Sachikonye (2008:13-14, 38) also indicates that 49.6 percent of respondents had used their personal savings to start up their businesses, with only two percent of the female respondents sourcing finance from government credit financial institutions.

While the government has implemented various funding initiatives that target small and medium enterprises, none of these deal specifically with the concerns of businesswomen. The Support Fund for Economic Rehabilitation is a government entity established to support the financial rehabilitation, development and promotion of the national economy by granting of loans to projects located in rural areas.

The funds is a part of the Rural Finance Support Programme, which aims to stimulate economic growth and contribute to poverty reduction by improving the livelihoods of rural households and boosting the viability of enterprises in rural areas in Mozambique.¹⁰

There are four major non-government programmes that target women and collectively accounting for over 9,000 clients:

- *Caixa das Mulheres de Nampula (CMN)*: based in Nampula the exclusively female CMN was established in 1994 with subsequent support from by the Cooperation Canada-Mozambique (De Vletter 2006);
- *Kukula*: run in collaboration with CARE, an organisation that cooperates especially with women saving groups, Kukula offers training on the topics of granting credits and handling savings and loans;¹¹
- *Project Hope*: established in 1997 with a presence in Gaza and Zambezia provinces this project supports the development of savings and credit groups in Zambezia province and works with groups or associations;¹²
- *The Hunger Project*: began in Mozambique in 2006 and empowers 17,000 farmers in three epicentre communities providing a total of US\$707,955 in microloans to 3,273 partners with an average loan size of US\$216.¹³

Finally, there are programmes supported by development partners that endeavour to improve the access small and medium enterprises have to financial services. These include the Mozambique SME Initiative which the International Finance Corporation funds. This is a five-year pilot project initiated in 2004 aimed at stimulating lending to small and medium enterprises. It has provided US\$5 million in investment funds as well as pre-investment technical assistance. One of the challenges that affected the effectiveness of the programme were the loan application assessment processes and due diligence which were not designed for small and medium enterprises. As a result only 18 entrepreneurs accessed the technical assistance and three the loans, overall 20% of the beneficiaries were women (Sibanda 2010:15).

The Friedrich Ebert Foundation established the Gabinete De Consultoria e Apoio a Pequena Industria (GAPI)¹⁴ in 1984 as a programme to promote small industries. In 1990, it was converted into a financial institution with the foundation owning 30 percent of its shares and the state development bank (BPD) owning 70 percent. The objective of GAPI is to provide sustainable efficient and appropriate financial services to small and medium enterprises by providing re-financing for medium and long-term investment loans. GAPI has nine branches covering all provinces.

Sibanda (2010:12-13) cites an African Development Bank report, which suggests that businesswomen in Mozambique are frustrated in their efforts to grow their businesses by gender-based inequalities. Asset ownership is normally registered in the husband's name requiring their consent to ceding of property as guarantees.

A survey on microfinance provision in Mozambique conducted by the MMF noted that these gender disparities were more obvious in programmes servicing the south and north of Mozambique. Large credit programmes in the north, such as First Micro-finance Programme and CCCP-CCOM (Cabo Degado), were said to continue to show less female participation despite concerted efforts to promote greater participation (Sachikonye 2008:16).¹⁵

Sibanda (2010:12-13) found that businesswomen experience difficulties preparing the business plans required by the financial institutions. This was corroborated by financial institutions that found many business plans prepared by women inadequate. This could be attributed to literacy levels amongst women as well as limited exposure to business management training.

Mozambique has a very limited number of venture capital financing institutions. Discussions with businesswomen during this project reveal a need for venture capital services. However, there is a general mistrust of such institutions, which could be a result of limited information and exposure to such services. This highlights the need for training on

¹⁰ The Government of Mozambique, the International Fund for Agricultural Development and the African Development Bank jointly fund the Rural Finance Support Programme. For more information go to: www.mpd.gov.mz/orcamento/emprasad/FARE%202005.pdf

¹¹ For more information go to: <http://www.betterplace.org>

¹² For more information go to: Projecthopeinafrica.blogspot.com/.../welcome-to-project-hope-mozambique.html (accessed 08/08/2010)

¹³ For more information go to: <http://www.thp.org>

¹⁴ Ex post evaluation of GAPI report (<http://www.kfw.org> 2006)

¹⁵ The First Micro-finance Programme recorded 28% women participation whilst CCCP-CCOM (Cabo Delgado) recorded 12.6%, in contrast to CCOM operating in urban Maputo (Maputo–Matola), which has 73.5% female participation. These regional variations are attributed to socio-economic, cultural and religious factors (Sachikonye 2008:16).

available finance options and their advantages and disadvantages. Businesswomen in Mozambique also require access to leasing companies to purchase the equipment required to grow the businesses

3.6 Access to business development services

The ability of businesswomen to access affordable business development services (BDS) is a major factor for those enterprises with growth potential. BDS can make a substantial and positive impact on business performance. In addition, the dissemination of business-related information and signposting of information on small and medium enterprise programmes and support-services is important as it enhances the woman entrepreneur's ability to grow (Stevenson et. al., 2007).

There is very limited awareness of the existence and value of BDS on business growth in Mozambique. Sachikonye (2010) reports that 54 percent of survey respondents had not used BDS, either because they did not know how to access it or were simply not interested in such services.

Most BDS in Mozambique is provided by government agencies in collaboration with development partners. It is estimated that only 25 percent of BDS is provided by private providers. Located mostly in the urban areas, the major reasons given by the BDS providers for not extending their outreach beyond the main towns were related to inadequate infrastructure as well as the absence of good communication and transportation systems (Sachikonye 2010:41-43). BDS providers do not specifically target women. It is important to address this gap as research has shown "women are highly represented in self-employment and operating small income generating activity" (Aswaddalai 2009:6).

A study conducted by the MMF (2004 cited in Sibanda 2008:17) identified business management training, the preparation of viable business plans, marketing strategies, and transparent accounting systems as essential to meet the requirements of financial service providers. The study further established that most respondents had inadequate qualifications, equipment, techniques and information, all of which created obstacles to enterprise growth.

In April 2010, the IPEME launched the first business guidance centre to empower and guide entrepreneurs. The centre provides training on business management and promotes client products and services on the

IPEME website.¹⁶

WEDGE-Mozambique builds the capacity of BDS providers to deliver services to businesswomen. Activities include assessing and building the capacity of BDS providers to deliver to businesswomen, building the capacity of businesswomen's associations and PWD organisations to improve access of the members to BDS, and facilitating linkages between businesswomen's associations and professional BDS providers (ILO 2009:8).

Many of the constraints businesswomen face cannot be addressed with one single intervention. Greater attention needs to be paid to the development of the small and medium enterprise sector in general to ensure women's economic empowerment as a way of reducing poverty and promoting growth (Aswaddalai 2009:6).

Most government-supported BDS providers do not operate on a commercial basis. This reduces their sustainability in the long-term and tends to limit the number of enterprises they support (Sachikonye 2008:42-44).

The links between BDS and financial services in Mozambique are tenuous. Efforts should be made to link micro finance institutions to BDS for follow up and training services. This would help businesswomen to learn how to better manage their finances, re-invest in their businesses, acquire assets if necessary and manage the growth process of their businesses (Stevenson & St-Onge 2005:37).

Furthermore, there is no quality assurance system for BDS in Mozambique. This leaves enterprises exposed to possible exploitation by providers that provide wrong, misleading or inadequate advice, training or support.

BDS is an essential element required for successful enterprise development. This is especially because poor management and a severe lack of training are some of the key factors leading to business failure in Mozambique. The lack of customised capacity building programmes for businesswomen, especially in the absence of mentoring and coaching, has resulted in them being ill equipped to develop business intelligence.

3.7 Participation in business associations and networks

¹⁶For more information go to: <http://www.mic.gov.mz> accessed 22/08/2010

Business membership organisations and networks can be a valuable source of entrepreneurial “know how” for women entrepreneurs and they can help foster the growth and development of their enterprises. Women enterprise associations (WEAs) can also be a very powerful voice in representing women entrepreneurs in national advocacy processes (Stevenson et. al., 2007:30).

WEDGE-Mozambique seeks to build the capacities of service providers, associations, governments, social partners and business development service providers; NGO’s focusing on entrepreneurship and Disable Persons Organisations to women (and some men) entrepreneurs. More specifically in building the capacities of business groups, associations and membership-based organisation’s that represent the needs of women entrepreneurs the programme will develop and provide training and mentoring support (ILO 2009:6-9).

Women in Mozambique, like other women in developing countries, have various types of formal, semi formal and informal economic and social associations where they pull labour and resources together to maximize labour productivity and social networks.¹⁷ The Baseline Study report on WEDGE Mozambique (Wilen 2009:27) identifies nine business associations, including six WEAs, providing a range of training programmes as well as advocacy and networking activities. These include economic activity associations and workers associations as well as NGO’s such as:

- *Mozambique Informal Cross-Border Trade Association*: affiliated to the Southern Africa Informal Cross-Border Trade Association and launched in 2009 with the aim of the association are to address informal traders’ needs and assist them to run their businesses smoothly.¹⁸
- *Mozambique Association for Women Promotion*: found in the Maputo and Gaza areas; provides awareness training and advocacy on income generation activities.
- FEMME: a recently established umbrella federation for women entrepreneurs association that was formed with an aim of representing sector women entrepreneurs associations.
- Mozambican Association of Women Legal Professionals: in collaboration with ICEIDA, trains human rights activists, district directors and community leaders as part of the programme on advocating for women’s rights

(Wilen 2009:27).

- Rural Women Association: providing training in Nampula and Maputo in crop production, marketing as well as advocacy and information sharing.
- Association of Enterprising Women in Mozambique: located in Matola on the outskirts of Maputo, the association provides enterprise and skills training for women (Angrove 2009:23).
- ADEMO: promotes the integration of PWD’s into society through various activities including business management training are administered.
- Association of Women Entrepreneurs and Women Executives (ACTIVA): a WEA with coverage both in Maputo and Zambezia, this is an association that promotes women entrepreneurship by creating market access through product exhibitions, providing training on business management. With a registered membership of 250, only 70 active, ACTIVA is concerned with the limited access to finance for women’s enterprise development.
- Women Association of ANCHIO (AMA): a WEA servicing Nampula, AMA provides training, business counselling, marketing and a forum for information sharing.
- Tin Workers Association of Nhamatanda: a business association providing training and business counselling in Sofala
- Takatshita: A business association providing training in Sofala.
- Organisation of Mozambican workers (OTM); Women Workers Committee (COMUTRA): This is an umbrella organisation established in 1996 that deals with labour cases that concern women. With representation in all provinces, the organisation has 116 sub-organisations and two associations for informal businesses and domestic workers (housemaids). Main activities undertaken by the organisation include training, literacy classes for women, dissemination of simplified labour laws, advocacy on gender issues and leadership. In 2007 OTM rectified its constitution to ensure a minimum of 30% representation of women in its leadership. COMUTRA is a member of IBFAN and Mysalary.org and has played an active role in advocating for gender sensitive labour laws.
- Association of Informal Sector Workers (ASSOTSI): with national representation the

¹⁷ Various Gender-related Obstacles to the Growth of Women’s Enterprises in Africa at: <http://forums.cozay.com/various-gender-related-obstacles-growth-women-s-enterprises-t2123.html?s=>

¹⁸ See: <http://www.allafrica.co./stories/201008050046.html> (Women run risks of cross border trade accessed 06/10/2010)

association was formed in 1999 to safeguard the conditions of the practitioners and workers of the informal sector. The association has a women's committee, with members comprising of single, widowed and married entrepreneurs who operate both in the traditional (import/export retail) and non-traditional sectors such as stonemason, carpentry and fishing.

- Women Coalition Organisation; Due to the challenge that ordinary Mozambican women are not familiar with the law, to make it more accessible by simplifying the text of the law and to raise awareness of their rights, the Women Coalition Organisation (an alliance of Mozambican women's rights organisations) planned an outreach programme.

Some of the challenges identified by Wilen (2009) in relation to WEA membership were that businesswomen are not aware of WEAs or the benefits of joining these associations. The survey on the status of Women Entrepreneurs in Mozambique highlighted that only five percent of the respondents were affiliated to the Confederation of Business Associations' of Mozambique (CTA) whilst 36.8 percent were affiliated to the Mozambique Association of Informal Sector Importers and sellers (Mukhero). Limited mobility and participation in networking forums reduces the access businesswomen have to services such as financial services and BDS. One of the strategies for improving access to information for businesswomen is to build the capacity of existing women's associations to organise low cost but effective networking meetings (Sibanda 2010:14). Women's associations, normally the providers of technical assistance to women, are generally very weak in Mozambique. In order to build their capacity linkages between financial services and BDS will need to be tailored for businesswomen needs. This will require targeting BDS providers so that they acquire the necessary tools and training materials Sibanda S (2010:15-16).

In response to challenges of access to finance CARE International introduced a system called Accumulative Savings and Credit Associations, known as poupança e crédito rotativo) in Mozambique as part of its Crédito para Empresarios Rurais programme in Nampula. At around the same time, the methodology was also introduced to Inhambane Province through the Inhambane Livelihoods Rehabilitation Project. In 2000, the Institut de Recherche et d'Application des Méthodes

de Développement extended its programme to a remote area of Cabo Delgado Province proving that, despite the prevailing arguments about the difficulty of rural finance of reaching sustainability, it could lend to rural farmers and attain recovery rates almost equal to its urban operations (de Vletter 2006:4).

There is a diversity of business associations and WEAs in Mozambique that have broadened their mandates to address policy and legislative issues affecting the business environment in addition to the common activities such as business training and counselling and networking. This opens an opportunity to utilise these entities to not only motivate women's associations to grow into member driven associations, but also to influence policy direction.

In addition to business associations workers associations such as OTM present opportunities for promoting entrepreneurship in addition to their functions of building the capacity of women workers to be empowered to lobby for the redress of issues affecting them. These are forums that provide networking opportunities and training for women. Furthermore, the geographic coverage of these associations is relatively broad presenting an advantage for their utilisation in disseminating information related to legislation, market opportunities, and other aspects of business.

Although approximately 45 percent of the female respondents in the Sachikonye study said they were part of various community organisations or associations, only 18 percent of the respondents were actively participating as members and benefiting through shared ideas on managing businesses (Wilen 2009:58).

Sachikonye (2008:193) describes how many of the WEAs in Mozambique do not have the capacity to meet the full range of needs of businesswomen, with some of the secretariat offices barely functional. In one of the WEAs, members had resorted to electing males to represent them.

In other WEAs implemented activities were no longer aligned with their mandate, with "founder member syndrome" preventing the full participation of other members with good ideas.¹⁹ This is evidence of the gap in training on board governance principles and procedures.

¹⁹ "Founding Member Syndrome": Founding members not relinquishing positions and influencing direction of associations.

During focus group discussions and key informant interviews it further transpired that influential and well positioned members declined leadership positions in the WEAs due to the control of founding members, therefore weakening the ability of WEAs to advocate at a higher level (Sachikonye 2008:81).

3.8 Access to business premises

Women's access to decent, safe, secure and suitable business premises is restricted because such premises are costly--especially in urban areas (Stevenson et. al., 2007:31). Although the Mozambique's land laws enable the use of land by men, women and communities, gender disaggregated data on women ownership of land is not available (Namburete 2009:49). Data on the availability of business premises and businesswomen's access to it is also not available.

The ILO-WEDGE baseline study report identifies a variety of factors that restrict access to business premises for small and medium enterprises. These include poor road infrastructure, poor transport systems and inadequate safe storage facilities (Wilen 2009:34). These challenges were further reiterated by Sachikonye (2008:13) who identified the absence of an appropriate transport system with relevant storage to enable business enterprises in rural areas to ferry their produce, in particular fresh produce such as vegetables and fish.

The IPME's enterprise development programmes should enable the access to suitable production premises and up to date technologies, but there is no data to establish its positive impact on women producers including their access to and the proportion of women utilising the incubators, including women with disabilities.

Angove (2009:41) identified lack of access to land and premises for small business as the third most (out of ten) challenging factor negatively affecting their business. This study indicates that although incubator premises particularly for start-up business are becoming available, these premises were said to lack ablution facilities, appropriate hygiene facilities in the instance of food markets and social support and childcare facilities for the entrepreneurs with small children.

Development partners are also involved in promoting access to appropriate business premises for businesswomen. This includes the United

Nations Development Fund For Women's support for business centres and incubators (Angrove 2009:38-39).

3.9 Access to markets

Businesswomen often feel constrained by the lack of access they have to profitable markets, whether local, national or international. However, there are no policies in Mozambique designed to address trade issues.

A first attempt to address these issues was made in 1994 through a UNDP project executed by the International Trade Center. Under this project, a draft report containing proposals for trade policies and strategies for the government was prepared for a discussion in a symposium attended by Mozambican public officials and the business community.

The absence of trade policies does not necessarily mean that the government does not intervene in trade issues. In practice, it intervenes in a number of ways, including the reform of legal and regulatory requirements to operate trade enterprises, the creation of a government parastatal for grain marketing and the setting of pan-territorial prices.

Internal trade in Mozambique is regulated by Law No. 7/79 approved in 1979, which aims to control the activities of internal private traders. The requirements to become a registered import trader are regulated by Law No 17/91. Applicants are also required to present a number of certificates to the MIT offices to attain the status of a legal import trader, namely: a certificate of commercial registry; a trading license; certification of payment of taxes; a bank statement showing the balance of the applicant's account; and a certification from the customs authorities.

Mozambique embraces the principles of free trade under the auspices of Southern African Development Community and the Common Market for Eastern and Southern Africa. Official trade between Mozambique and the majority of its neighbours is significant when compared with trade between Mozambique and the developed world. However, there have been reports of increasing unofficial trade with neighbouring countries. A number of factors have contributed included tariff and non-tariff barriers. Informal cross border trade has evolved over time and constitutes one of the main ways of overcoming barriers to formal regional trade (Macamo 1999:vi-5).

Inadequate infrastructure and lack of markets in Mozambique has resulted in a high concentration of both male and female operated enterprises around the major cities where much of the country's business is operated. As a result the markets in which businesswomen generally operate are comprised predominantly of individual consumers (47.35%), followed by companies (7.52%) and government (6.19%) (Sachikonye 2008:30-34). This shows an absence of stringent government policies and initiatives designed to facilitate access to government procurement opportunities for women entrepreneurs. Sibanda (2010:15) claims that some of the challenges businesswomen face are also fuelled by low levels of expertise in business management, marketing, technology and limited access to information which in turn also affects their access to finance. While in Sachikonye's (2008:50-58) study, five percent of respondents identified lack of markets for their products as one of the major barriers. In this study the majority of respondents (60.18%) were selling their products and services directly to individual customers with very few products channelled through intermediaries such as wholesalers who can reach wider markets.

IPEME facilitates trade fairs on packaging, as a decisive element in the recovery of domestic products and in ensuring productive competitiveness in winning new markets. According to a study on the specific packaging needs and challenges of Mozambican entrepreneurs most of the packaging produced in Mozambique does not meet international standards and requirements.

As a result, all domestic products are exported to European countries at low prices due to poor packaging (International Trade Centre 2008). Responding to these challenges would further enhance the role of National Institute of Standards and Quality.

The approval of a new government procurement code in 2005 allows government to establish a procurement system that assigns a preference to local firms. The procuring entity can define that the supplier shall be a local firm and that the goods to be procured shall be at least 30 percent Mozambican origin. This regulation does not make a special allowance for women-owned enterprises or those with disabilities. Ideally, IPEME should be liaising with organisations to promote linkages between women-owned small and medium enterprises and large firms to enable access to government procurement opportunities and promote businesswomen's export activities. The absence of specific women's enterprise development

programmes limits the IPEME's ability to embark on ventures.

Another factor to accessing marketing is the transport network in Mozambique as it has remained underdeveloped, especially the road network. This hampers access to market by local producers in different parts of the country. Improved north south road connections and roads to remote rural areas form a major part of the Government's strategy for reducing poverty, given the role that transport plays in facilitating rural access and reducing agricultural costs. The government is currently developing three corridors that will provide export outlets for Mozambique neighbours: Maputo development corridor servicing links with the Republic of South Africa, the Nacala Corridor servicing Malawi and the Beira Corridor servicing Zimbabwe (Sachikonye 2008:10-11).

Improved access to ICT can play a critical role in enhancing access to information and access to markets for women entrepreneurs, as it can be used to disseminate information on markets. Sachikonye (2008:44) found that over 46 percent of survey respondents said technology was accessible in Mozambique, while ten percent said it was difficult to access and 16 percent said they had no access at all. In some instances lack of access also meant lack of funds to purchase the necessary technology or to hire skilled labour with relevant expertise for the required technology.

For an informal trader, a major barrier for trade is obtaining an import and export licence, which must be renewed annually (Macamo 1999:6).

Currently, small and medium enterprises face challenges related to the influx of imports from South Africa. This crowds the local market and limits the opportunities for local production. Most Mozambican small and medium enterprise market their produce locally and do not have the resources to expand through market access and development (Sachikonye 2008:11).

To mitigate the lack of access to markets, small and medium enterprises need better access to information, access to technology, access to finance, greater participation in the regional economy and attendance of business owners to regional and international trade fairs.

3.10 The state of research on women's enterprises

Investing in research is a strategic way to generate information on how best to reach and support businesswomen. The absence of statistical data to determine the size and character of the women's enterprise sector and the capacity of the institutions with which they interact limits the ability of governments to make informed policy measures (Aswaddalai 2009). As the focus on the development of women as entrepreneurs accelerates, more research is needed to inform appropriate policies, programmes and supportive actions. This research will prove to be a rich resource for policy makers at every level of government, and can also form the intellectual underpinnings for legislative, regulatory and business support improvements (Stevenson et. al., 2007).

Although the National Institute for Employment and Vocational Training has conducted research related to the labour force, including small and medium enterprises, development partners tend to commission the bulk of the gender disaggregated

research in Mozambique related to economic development and the private sector. Such research investigates the enabling environment for women's enterprise development, such as the policies and laws related to establishing and growing businesses, as well as access to finance and BDS.

Available data on enterprises, detailing attributes such as distribution by sector, employment size, sex, location, is limited. The Sachikonye (2008:6) study, which was aimed at establishing baseline information, provides a certain degree of quantitative information on women-owned enterprises.

Overall, there is an absence of systematic mechanisms for researching the impact of small and medium enterprise policy and programme measures on the development of women entrepreneurs, including their relative take up of business support services and incentives.

The presence of data collected by institutes such as the Instituto Nacional de Estatística (National Statistics Office), on the characteristics of the small and medium enterprise sector, needs to be complemented by studies and surveys on barriers to women's enterprise development (Wilén 2009:17). Sachikonye (2008:6) argues that more information is needed on the needs and capacities of businesswomen, while Sibanda (2010:4) calls for more information on women's access to financial services. A study under way in Maputo, Nampula and Inhambane to ascertain the value of artisans in the economy can also be used to ascertain the gender dimensions in this sector (Angove 2009).

There are a number of major gaps in the state of research on women entrepreneurship in Mozambique:

- At the national level, there is limited national data on the number, make-up, and size of female-owned enterprises and women's participation in the small and medium enterprise sector. Where data exists, it is out dated (Wilén 2009).
- Coordination of non-governmental driven research efforts is very poor, and this could compromise efforts directed at addressing these issues. Because of limited dissemination, most of these studies are being used only for internal use, instead of informing much broader national women's enterprise development programs and policies.
- There is a general lack of impact studies to determine the extent to which development programmes have contributed to improvement of women's enterprise development opportunities.

4 Conclusions and recommended actions

In conclusion, having identified the main challenges that face research efforts on women's enterprise development in the country, it is worth noting that the data and information that does exist presents a consistent picture of opportunities, challenges and barriers that women in private enterprises face. For more informed policy and programme actions by the government and non-governmental sector is needed.

This chapter presents a brief summary of the findings of each of the ten enabling environment elements assessed. It then provides a series of recommendations designed to improve the enabling environment for women's enterprise development in Mozambique.

4.1 Policy leadership and coordination for women's enterprise development

4.1.1 Summary of findings

At present, Mozambique does not have a specific policy framework for women's enterprise development. There is a general reliance on the broader policy framework, which enables human rights, small and medium enterprise development and economic growth.

The Strategy for the Small and Medium Enterprise, the Gender Policy and Implementation Plan and the National Action Plan for Women's Advancement, along with other policy and programme instruments are designed to implement the national theme of economic development as detailed in the PARPA.

4.1.2 Recommendations

In light of these findings, the following recommendations are proposed:

RECOMMENDATION 1: It is recommended that the Government of Mozambique formulate strategies and action plans that specifically promote women's enterprise development to address the challenges businesswomen and potential businesswomen encounter and coordinate the implementation of the strategies through the MIC and IPEME.

RECOMMENDATION 2: It is recommended that the Government of Mozambique facilitate trade and industry sector specialists to enter into dialogue with GOWE Specialists to find common ground, language and vision; clarify roles and responsibilities and identify areas for collaborations and partnerships.

RECOMMENDATION 3: It is recommended that the Government of Mozambique ensure national budgets include enterprise development programmes designed for women.

4.2 The legal and regulatory framework for women's enterprise development

4.2.1 Summary of findings

Some 95 percent of economically active Mozambicans work in the informal economy and 59 percent of the informal worker are female. Women workers in both the formal and informal sectors of the economy suffer gender-based discrimination. Mozambique's Gender-related Development Index ranks the 149th of 156 countries for which data is available (ILO 2009:4).

The legal and regulatory framework for business in Mozambique does not contain any instruments that are specifically designed to respond to the barriers or constraints faced by women in business. While the framework levels of the playing field for women and men in this regard, it does not recognise the gender-specific concerns of local businesspeople. The only legal and regulatory instruments found to address gender-based disparities is the Family Law Act.

4.2.2 Recommendations

In light of these findings, the following recommendations are proposed:

RECOMMENDATION 4: It is recommended that the Government of Mozambique enable access to national incentives in small enterprise development through gender sensitive private sector development and fiscal policies and legislation such as legislation on:

- The taxation of female-owned enterprises;
- Procurement policies to ensure that women benefit equally from economic opportunities, including those created through public procurement processes; and
- Labour to correct the situation for rural workers where women are the majority and there is unbalanced payment for work and address issues of sexual harassment as it is not clearly defined in any legislation.

RECOMMENDATION 5: It is recommended that ILO-WEDGE support partner organisations to lobby and popularise gender responsive small and medium enterprise policies, laws and regulations.

RECOMMENDATION 6: It is recommended that ILO-WEDGE support partner organisations to identify discriminatory laws in order to inform the

lobbying and popularisation of gender responsive small and medium enterprise strategies and legislation.

4.3 The promotion of women's entrepreneurship

4.3.1 Summary of findings

The MIC is mandated to facilitate economic growth and established the IPEME as the implementing arm for small and medium enterprise development programmes and activities. Though this is an indication of the government's recognition of the enterprise sector's contribution to the economy, the programmes do not recognize the need to develop entrepreneurship promotion programmes specifically targeted at women.

The MMAS is the ministry responsible for promoting the emancipation and advancement of women in the political, economic, social, and cultural activities and the development of public education on the role of family as the basic unit of society. To achieve this objective MMAS works in partnership with other governmental and non-governmental organisations with similar mandates and activities in the area of women and gender.

There is some evidence to suggest the role of traditional beliefs as barriers to opportunities particularly in rural areas. However, there also appears emerging evidence to the contrary. Due to necessity women in practical terms are breaking those barriers; however where the traditional barriers are evident is in the silence on women's economic achievements and self-empowerment (Angrove 2009:38).

Women's entrepreneurship development and gender equality can make a particularly strong contribution to the well being of families and communities. Where women have more control over the resources of the household, the pattern of consumption tends to be more child-focused and oriented to meeting basic needs (ILO 2009:4).

4.3.2 Recommendations

In light of these findings, the following recommendations are proposed:

RECOMMENDATION 7: It is recommended that the Government of Mozambique through the ILO, programme "Developing Entrepreneurship among

Women with Disabilities” develop activities aimed at promoting entrepreneurship amongst women with disabilities including young entrepreneurs.

RECOMMENDATION 8: It is recommended that the Government of Mozambique through the MIC design programmes to facilitate information sharing regionally amongst businessmen, especially ACP countries.

RECOMMENDATION 9: It is recommended that the Confederation of Business Associations, in collaboration with MIC and IPEME, promote networking platforms for women in business through annual events and competitions such as “Month of the Women Entrepreneur”, the “Woman Entrepreneur of the Year” and “Woman in Business Management Award to serve as role models for promoting entrepreneurship amongst women.

RECOMMENDATION 10: It is recommended that IPEME coordinate and work with women’s enterprise associations, education institutions, and the private sector to promote an enterprise culture among young women.

4.4 Women’s access to enterprise education and training

4.4.1 Summary of findings

One of the pillars of the PARPA is concerned with the development of human capital, focussing on the development of labour, technical and scientific capacities. Further, the Strategic plan for Education and Culture considers the expansion of access to better quality basic education to be essential in terms of creating and sustaining new opportunities for the poorest and marginalised groups including women. The development focus in Mozambique is now increasingly expanding into rural areas to ensure that the largest part of the population is assisted to engage in useful employment activities. The areas of focus include education, health, agriculture, infrastructure development, and good governance. Labour in the country is generally unskilled resulting in severe skilled human resource shortages especially in the rural areas, combined with the lack of investment capital and entrepreneurial skills, this presents major barriers for local participation in private sector operations or joint ventures. The private sector lags behind their regional competitors in skills levels, management practices and manufacturing techniques, particularly in the agricultural sector. Despite these constraints, the education sector is

still showing considerable growth in terms of its indicators in general and the gender component in particular.

Two major government initiatives include the introduction of entrepreneurship skills into the school curriculum, through the United Nations Industrialisation Organization, and the transformation of the vocational education system. The United Nations Industrialisation Organization programme is anticipated to foster an entrepreneurial attitude/culture and to for a national foundation for a growth oriented economic environment; and transformation vocational education system is aimed at improving the quality and responsiveness of the vocational education system in relation to the labour needs.

One prevailing problem is the high rate of failure for all education types and levels. This problem affects all the provinces and seems to show homogenous characteristics between rural and urban areas. It is a gender related problem with higher failure rates for females than males (Government of Mozambique 2008:26).

4.4.2 Recommendations

The following is recommended;

RECOMMENDATION 11: It is recommended that IPEME develop and implement capacity building programmes to BDS providers, universities, research institutions, trade of producer associations, industry leaders and other actors to improve efficiency, productivity, and product quality in value chains especially to female-owned enterprises. The IPEME should collaborate with the National Institute for Employment and Vocational Training and the Higher Education Institute for Science and Technology of Mozambique in designing and providing training on technology for women.

RECOMMENDATION 12: It is recommended that IPEME collaborate with relevant government agencies and development partners to identify agricultural support institutions to train businesswomen in improved cultivation methods, provide extension services to ensure adequate pest control taking into consideration internationally approved quality standards, irrigation schemes and seed production.

RECOMMENDATION 13: It is recommended that IPEME collaborate with relevant government agencies and development partners to promote the

creation of farmers associations to be involved in the marketing of produce, storage and in mills and agro-industries.

RECOMMENDATION 14: It is recommended that ILO WEDGE establish a collaborative relationship to explore collaborative work in the areas of innovation-women inventors, non-traditional areas of employment such as engineering, petro-chemic, architecture, design, and media amongst others

RECOMMENDATION 15: It is recommended that IPEME develop a profile of women artisans and raise awareness and promote the field. IPEME should facilitate collaborations between CEDARTE and higher education institutions in the area of art and employment in order to develop relevant capacity building programmes.

4.5 Women's access to financial services

4.5.1 Summary of findings

Women face enormous constraints, especially when they are trying to mobilise working capital for expanding or diversifying their businesses. Research has established that the more formal the finance mechanism, the fewer women clients one will find it. A general lack of collateral leads to a situation where women are limited to gaining access to finance through savings and credit groups and group-based mutual guarantee micro-credit (Sachikonye 2008:6).

4.5.2 Recommendations

The following is recommended;

RECOMMENDATION 16: It is recommended that IPEME develop customised programmes to support the growth of female-owned enterprises, in business planning and management, which will incorporate linkages with finance programmes.

RECOMMENDATION 17: It is recommended that IPEME, in collaboration with development partners, provide training on gender mainstreaming and reporting to key personnel in the financial services sector. This should include strategies for the creation of gender-sensitive financial services and products designed to uplift women-owned enterprises.

RECOMMENDATION 18: It is recommended that the Confederation of Business Associations and WEAs, with the support of ILO-WEDGE, lobby commercial banks to establish specialist finance windows for women and their enterprises.

RECOMMENDATION 19: It is recommended that IPEME, with the support of development partners, develop capacity of micro-finance institutions to effectively service the low-income populations.

RECOMMENDATION 20: It is recommended that IPEME promote collaboration between micro-finance institutions and commercial banks to develop referral system for businesswomen who have outgrown micro-finance services and require higher-level loans.

RECOMMENDATION 21: It is recommended that IPEME promote collaboration between financial institutions and BDS providers to enable access to BDS and credit on referral system.

4.6 Women's access to business development services

4.6.1 Summary of findings

Business development services are an important component of entrepreneurship development. Poor management and lack of training are some of the key factors leading to business failure of small and medium enterprises. Sachikonye (2008) found that most of the BDS providers have limited outreach and are located in major urban areas. This was found to be due to inadequate infrastructure outside the major towns, in particular the lack of a good communication systems and a good transport system. As such, BDS providers and other support services continue to shun unattractive and inaccessible locations. It was also found that some BDS providers offer irrelevant services which were not customized to suit the needs of the entrepreneurs.

4.6.2 Recommendations

The following is recommended;

RECOMMENDATION 22: It is recommended that MMAS collaborate with IPEME and development partners in the design of a comprehensive capacity building programme for BDS providers on how to assess and respond to BDS markets and how to mainstream gender issues in their services.

RECOMMENDATION 23: It is recommended that IPEME collaborate with ILO-WEDGE and introduce packages for developing women entrepreneurs, such as the ILO's Women Entrepreneurship Development programme, Start and Improve Your Business

programme and Expand Your Business programme. This will require these programmes to be adapted and translated for use in Mozambique and other entrepreneurship development programmes such as the ones promoted by Enterprise Mozambique.

RECOMMENDATION 24: It is recommended that IPEME to collaborate with ISPG and ISCTEM in the training and certification of BDS service providers to be able to provide the above programmes and link up with existing service providers where such providers exist.

RECOMMENDATION 25: It is recommended that IPEME develop linkages with service providers that assist entrepreneur's access markets and develop gender sensitive market access promotion programmes, including gender-inclusive value chain analysis.

RECOMMENDATION 26: It is recommended that IPEME promote annual exhibitions of products and services provided by women entrepreneurs, supported by the ILO's Improve Your Exhibiting Skills.

RECOMMENDATION 27: It is recommended that IPEME, in collaboration with WEAs and the media publicize innovative ideas from women entrepreneurs, especially in the fields and sectors that are normally a male domain. This should include the introduction of a competition on women entrepreneur's best-designed business plans.

RECOMMENDATION 28: It is recommended that ILO-WEDGE, in collaboration with partner organisations, strengthen the advocacy role of women entrepreneurs' association through building their capacity (e.g., through ILO's Capacity Building for WEAs) and access to increased funding.

4.7 Women's participation in business associations and networks

4.7.1 Summary of findings

If democratically operated and member-based WEAs can play an effective role in representing the needs and concerns of businesswomen and advocating on gender-related issues, promoting women's enterprises and providing business support. Mozambique has various types of formal, semi-formal and informal economic and social associations but many businesswomen are not aware of WEAs or of the benefits that come from membership (Wilen 2009:53).

4.7.2 Recommendations

The following is recommended;

RECOMMENDATION 29: It is recommended that IPEME and ILO-WEDGE, in collaboration with other development partners or gender equality programmes, develop a database profiling the WEAs and identify opportunities and areas for collaborative work.

RECOMMENDATION 30: It is recommended that the MMAS, with the assistance of the ILO, develop good practice case studies to build evidence to enhance the profile of businesswomen in the society and economy.

RECOMMENDATION 31: It is recommended that the ILO support the establishment of a Women into Business Management Award that would be celebrated either during Global Enterprise Week in November or on Mozambican Women's Day.

RECOMMENDATION 32: It is recommended that IPEME, in collaboration with MMAS, develop mentorship programmes using businesswomen as role models, to build capacity through knowledge transfer and guidance.

RECOMMENDATION 33: It is recommended that ILO-WEDGE establish a forum for all development partners and non-government organisations involved in gender development activities to ensure alignment and coordination as well as information sharing including establishing best practices.

4.8 Women's access to business premises

4.8.1 Summary of findings

There are a number of challenges regarding the access businesswomen have to appropriate business premises that can not only address their needs as women in business but also as entrepreneurs. These challenges include issues of proximity to profitable markets, poor and expensive transport systems to enable efficient ferrying of products, inappropriate facilities in terms of hygiene and recreational needs for businesswomen with children.

4.8.2 Recommendations

The following is recommended;

RECOMMENDATION 34: It is recommended

that IPEME, in collaboration with municipalities, conduct a baseline study on the existing market facilities and how those may be improved taking in consideration its environment and location, vendors and sellers. This could also be an opportunity to identify good practice examples and possibly identify a minimum standard to aim towards.

4.9 Women's access to local, national and international markets

4.9.1 Summary of findings

Poor access to markets, inadequate finance and lack of exposure to formal small business management techniques all provide challenges to existing businesses. To mitigate the lack of access to markets, small and medium enterprises need better access to information, access to technology, greater participation in the regional economy and attendance of business owners to regional and international trade fairs.

4.9.2 Recommendations

In light of these findings, the following recommendations are proposed:

RECOMMENDATION 35: It is recommended that IPEME, in collaboration with INNOQ, build the capacity of businesswomen to develop quality goods in order to increase exports.

RECOMMENDATION 36: It is recommended that IPEME promote the establishment of processing businesses by small and medium enterprises and facilitate the identification of relevant markets for processed goods.

RECOMMENDATION 37: It is recommended that the government embark on an escalation of capital projects, including roads, irrigation and electricity infrastructure to address the challenge of isolated rural zones and enable access to markets.

RECOMMENDATION 38: It is recommended that IPEME conduct studies to ensure that production and market development interventions are according to the potential or available resource in the area. These studies will enable an investigation of all industries including food processing, handicraft, art design, tourism and recreation, and will inform the relevant sectors to be promoted in the particular area or province.

RECOMMENDATION 39: It is recommended that the MIC and IPEME review public procurement policies, including advocating for the procurement policies of the private sector and development partners to be gender sensitive, in order to present procurement opportunities for women-owned enterprises. A programme to build the capacity of women owned enterprises to supply according to requirements and standards could be developed and rolled as part of the procurement policy reform.

RECOMMENDATION 40: It is recommended that the MIC work with the International Finance Corporation to facilitate subcontracting and other public procurement opportunities for female-owned enterprises and develop monitoring and evaluation procedures in order to observe its impact on businesswomen.

4.10 The state of research on women's enterprises

4.10.1 Summary of findings

Limited gender disaggregated data and lack of coordination in research emerged are major gaps identified in the state of knowledge about women entrepreneurs in the Mozambique.

4.10.2 Recommendations

In light of these findings, the following recommendations are proposed:

RECOMMENDATION 41: It is recommended that IPEME engage local leaders in dialogue to assess the potential of women entrepreneurs in meeting local and sector needs.

RECOMMENDATION 42: It is recommended that IPEME produce information that identifies barriers to the growth of female-owned enterprises and highlights specific areas for action.

RECOMMENDATION 43: It is recommended that local universities collaborate in collecting and generating gender-related data and longitudinal socio-economic studies in order to develop case studies of good practice.

RECOMMENDATION 44: It is recommended that the ILO, in collaboration with OTM-COMUTRA, conduct a study to map gender equality practices, in

References

different sectors, from the findings develop good practice case studies and present them as role model examples of Gender Mainstreaming Good Practice.

RECOMMENDATION 45: It is recommended that the national statistics office regularly collect and disseminate gender disaggregated data on small and medium enterprises.

RECOMMENDATION 46: It is recommended that ILO-WEDGE, in collaboration with IPEME and MMAS, conduct a baseline study on existing market and incubator facilities to evaluate their responsiveness to vendors.

RECOMMENDATION 47: It is recommended that ILO-WEDGE ensure its assessments engage and connect with women entrepreneurs at the grassroots level, above and below the poverty line, to supplement official statistics.

RECOMMENDATION 48: It is recommended that the national statistics office review its definition of economic activity and current sampling and interviewing procedures employed in obtaining to reflect their contribution in the economy in addition to their reproductive and child nurturing roles.

RECOMMENDATION 49: It is recommended that the national statistics office collaborate with research institutions and development partner in conducting research to investigate the reality of women entrepreneurs' exploitation of opportunities and the extent to which traditional values and beliefs stop women from taking up identified opportunities.

As part of the WEDGE-Mozambique Project research was commissioned and written by consultants to assist the project team in implementation of the project between 2009 and 2012. This report reflects a compilation of different project reports and provides a snapshot of the enabling environment for women entrepreneurs in Mozambique, with the aim of furthering the knowledge base on women entrepreneurs. This research can be utilized by policy makers and business development service providers to better understand the operational and legislative environment for women entrepreneurs in Mozambique.

The responsibility for the opinions expressed in these pieces of research rests solely with the author and publication does not constitute an endorsement by the International Labour Office of the opinions expressed in them.



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