

GENDER INCLUSIVITY

Through Private Sector Development

Private Enterprise Programme Zambia (PEPZ) Case Study



PROMOTING GENDER INCLUSIVITY

Through Private Sector Development



Since 2015, the Private Enterprise Programme Zambia (PEPZ) has worked together with the private sector in Zambia to transform the sector into a vehicle for inclusive growth in Zambia, encouraging investment and job creation.

In its first three years between 2015 and 2017, PEPZ worked through three integrated components: the Business Linkages Programme (BLP), Business Development Programme (BDS) and Business Plan Competition (BPC). Subsequently, in 2018 the focus changed to sectors and PEPZ has since focused its interventions on projects within the Food and Agriculture, Tourism and Hospitality, Mining and Mining Services sectors.

The programme's logframe incorporates women's economic empowerment with a target of 6,520 direct jobs to be created for women by the end of the programme. In the early years of the programme (2014 to 2017), PEPZ promoted women's participation in the programme through utilizing communication, knowledge management products and events. Further, the programme applied gender mainstreaming to all its components by designing specific activities throughout all three core components such as workshops for women, open proposal calls for female entrepreneurs and a minimum target of female new recruits. More recently (2018 to 2019), PEPZ developed promotional videos and organized a discussion panel as part of its focus on communication and events for its gender-related activities.

As PEPZ ends, the team is taking a deeper look at the work undertaken to promote women's economic empowerment through the programme in order to:

1. Identify the challenges that women-owned businesses in Zambia face;
2. Determine if the interventions PEPZ delivered to these women-owned enterprises led to aspects of increased inclusivity, and;
3. Identify gaps and learnings on how PEPZ can improve its programming in approaching inclusivity for future intervention design of subsequent PEPZ.

This case study builds on PEPZ internal knowledge and a series of key informant interviews undertaken with PEPZ grantees during the month of November 2019.

What are the challenges faced by women-owned enterprises which receive PEPZ support?

Five overarching challenges were identified:

1. Access to finance constitutes a major challenge for women entrepreneurs

Zambia has established itself as a frontrunner for SME lending in Sub-Saharan Africa, and lending by banks has increased steadily in the past decade.

Many banks specifically target micro, small and medium-sized enterprises (MSMEs) and according to the World Bank, Zambia ranks third within Sub-Saharan African countries in the area of getting credit as it shares many of the good practices found in OECD high-income economies¹.

With that said, women business-owners in Zambia still face difficulties in accessing the finance they need to operate and grow, especially through formal financial institutions.

All interviewees stated that taking out business loans especially in the early stages of their business has been impossible for them as women, hence they had to ask for support of a male relative such as the husband or father. Loans crucial to start up their business were only given in the name of the husband or father and their own securities or collateral were not accepted without a male guarantor.

¹ World Bank, 2019. Doing Business 2019. Training for Reform.



A recurring theme raised by women business-owners was that financial exclusion still constitutes a major challenge when running their businesses, particularly when borrowing from their usual bank.

Monica Musonda, CEO of Java Foods Ltd., mentioned that she experienced very little flexibility on the terms for loans and credits and was not given any options whereas male counterparts received more flexible terms and preferable options.

For instance, Stanbic Bank which had just received USD 15 million from the International Finance Corporation (IFC) to expand its lending to SMEs and offer improved and more preferable credit terms, was still only offering harsh commercial terms to women-owned businesses such as Java Foods Ltd.

The lack of flexibility and willingness to lend to women-owned businesses also extend to supplier credits. Mirriam Chipulu from Shais Enterprise Ltd. has not been able to secure any supplier credits and instead had to pay cash up front, thereby significantly limiting her ability to grow organically.



2. Women in business are still very constrained by traditional gender norms

Traditional gender norms are still very pervasive in Zambia on both the household level and in business environments. At the business level, women entrepreneurs tend not to be taken seriously by their business counterparts that are men as “there is little faith in female entrepreneurs in Zambia,” according to Monica Musonda, CEO of Java Foods.

Off-takers, suppliers, banks, and other stakeholders often refuse to work with women business-owners and entrepreneurs. For instance, in the early stages of her business in 2015, the CEO of Shais Enterprise Ltd., Mirriam Chipulu could not establish her own relationships with suppliers and off-takers even in the informal marketplace as they instantly refused to work with her due to an openly-expressed mistrust in her product which was exacerbated by the fact that she started with a home-based production site.

Only once her husband started engaging with the same suppliers, business relationships could be established, and she was able to move forward with her business. Even as of today, she is still reliant on her husband to initiate and negotiate deals with vendors and off-takers. This barrier appears to apply especially for women entrepreneurs in the manufacturing industry, as they often deal with businesses owned by the Indian diaspora where traditional gender norms and thereby gender disparities are significantly more persistent than amongst black-African Zambian businesses.

These cultural barriers weave through the working environment for women entrepreneurs as well as employees. As a result, Monica Musonda indicated that her sales team consists mostly of men as their main responsibility is customer engagement and negotiations. This is because women sales agents or employees often get rebuked and have none or only very limited chances for a fair and open negotiation and are therefore only sent to deal with schools as well as the NGO sector.



3. Poor levels of female education are a major restraint for women to access higher positions

School drop-out rates for girls in Zambia are significantly higher than for boys – only 41.4 percent of female students complete grade 12 and even less transition into higher education.

The main reasons for girls in Zambia to drop out of school starting in secondary school are the low value placed by more traditional communities on girls receiving a secondary or higher education, teenage pregnancy, and child marriage¹. Thus, girls' and young women's ability to acquire a higher level of education and important social and soft skills is significantly lower than for boys and young men.

In interviews with women business-owners, they identified the lack of appropriate education and skills as one of the main challenges when attempting to hire or promote fellow women into more senior positions.

Java Foods Ltd. for instance, found that often the educational background as well as leadership skills are too poor to meet the requirements of more senior roles. Gina Williey who is the MD of Bellview, a mining services company providing maintenance and after-sales services to large mining companies in Zambia, also indicated that it is nearly impossible to find qualified female employees who have the education as well as technical experience and skills to fill open positions.

This is especially the case for customer-facing jobs at Bellview as they tend to fill them with ex-mining employees who bring direct experience from working in the mines. Historically, women never used to and still don't occupy technical and more senior positions in mines and are therefore not represented on the labour market.

The Kitwe Trades Schools now offers technical training to grade 12 level graduates, encouraging female candidates to apply. Bellview has already successfully recruited four junior female staff.

¹ Unicef, 2014. Global Initiative on Out of School Children

4. Men-oriented institutional mindsets and lack of women role models are a significant barrier for women to reach leadership levels and become successful entrepreneurs

All of the interviewees stated that there is only limited information and advice on how to register and run a business in Zambia as there is no central point to refer to, and found the capacity of relevant consultants at available offices to be somewhat low. Most of the reliable information and advice comes through business networks and is shared through word of mouth.

Additionally, the manufacturing industry in Zambia is highly dominated by men and international businesses, with only very few female business players among them. Such environments are often very challenging for women entrepreneurs to penetrate and operate in, especially as the number of successful women entrepreneurs and therefore mentors and role-models is very limited.

For instance, the Kitwe Chamber of Commerce (CoC) has a total of 250 members in the Copperbelt of which only two are women-owned. The Zambia Association of Manufacturers (ZAM) works with SMEs throughout Zambia of which the majority (more than 90%) are owned or run by men. ZAM offer support to SMEs through linkages, marketing opportunities, lobbying and networking and each ZAM agent has a portfolio of SMEs to look after. Audrey Tembo, a Membership Agent of ZAM in the Copperbelt stated that a common theme and challenge raised by women entrepreneurs is the difficulty to enter new markets, establish a client base and build linkages with other businesses in the sector.

Moreover, women entrepreneurs often express that their businesses are exposed to a higher level of scrutiny by men. Similarly, the Nyamuka Zambia Business Plan Competition, organised by PEZ in the years of 2015, 2016 and 2017 saw a consistently low level of female entrepreneurs applying to participate. In the first year, less than 25 percent of applicants were female. This increased to 30.5 percent in the last year due to targeted promotion of Nyamuka among women networking organisations and on radio programmes dedicated to women.



5. Women workers often don't have decision-making power over their own incomes and are therefore less inclined to take on productive activities

In Zambia, women constitute about 50 percent of the total population, 64 percent of the rural population and approximately 80 percent of food producers¹. However, only 22.3 percent of households are headed by women². This gender disparity in decision-making power is not limited to the household level but also has a significant impact on a woman's professional life and ability to become financially independent.

Female smallholder farmers (SHF) often have no decision-making power over their own income as men hold control not only over household assets but also production resources such as land, credit, technology and inputs. Men also tend to dominate decisions over any income resulting from sales of agriculture produce, even when women are the main contributors in this process³.



Shais Enterprise Ltd. works with SHFs growing orange-maize, a commercially highly popular crop but only 1.6 percent of her farmers are female. Conversely, most of her finger millet suppliers, a crop that is widely considered to be a woman's crop and less controlled by men, are female SHFs.

The lack of decision-making power as a major constraint for women to work does not apply exclusively to the agricultural sector but is also prevalent in the traditional crafts industry in Zambia. Agness Yombwe runs the WayiWayi art gallery in Livingstone, through which she works with women from rural communities who produce traditional crafts products within their communities such as clay vases, jewellery and wooden statuettes, and others. Her aim is to commercialise these products and establish them within the Zambian arts and tourist industry. However, her largest challenge is to get buy-in and commitment from the women in rural communities who fear that they won't be able to keep and manage the income generated through crafts sales.

Because of the limited decision-making power, even women who work have only little potential to influence and improve their private life and therefore often abstain from any kind of employment. Figures show that despite women taking up 53 percent of the working age population, only 39 percent of the labour force are women⁴.

1 JICA, 2016. Country Gender Profile: Zambia Final Report.

2 Government of the Republic of Zambia, CSO 2012. Zambia Labour Force Survey.

3 ADB, 2006. Multi Sector Country Gender Profile.

4 CSO, 2018. Zambia in Figures 2018.

What has been PEPZ's contribution?

As of January 2020, PEPZ created 4,836 jobs for women, which amounts to 41 percent of the total direct jobs created to date and is a 74 percent achievement of the total women jobs target. This was achieved through specific activities within each of the original components and focus sectors such as targeted calls for proposals within women-only business networks, gender-related milestones in project grants and deliverables and targeted recruitment and capacity building of women through project partnerships. Through that, PEPZ also successfully attracted women entrepreneurs and business owners to apply for support; in 2019 alone, the programme worked with 41 female partners.

PEPZ also continuously invested in promoting women in business and in profiling successful female Nyamuka winners and PEPZ partners with the aim of changing the perception of female entrepreneurship in Zambia. Conference sessions and discussion panels such as “Winning in Business and in Life”, “Women Mean Business”, “Women in Manufacturing” or “Better the Balance, Better the World” were organised on an annual basis with PEPZ support and facilitated by successful female entrepreneurs with expertise in various areas.

Additionally, several documentaries and short videos about successful female entrepreneurs from manufacturing, agro-processing, fashion industry, and business development support were produced and disseminated across relevant networks and stakeholders. Furthermore, 50 percent of the featured panel on the Nyamuka Game Plan TV Show were female including two judges and one moderator.

While these achievements have provided many opportunities to raise the profile of women in business and combat negative perceptions based on gender, PEPZ recognizes that underlying systemic gender inequalities have not been addressed and will require a more targeted approach to be resolved. These inequalities continue to prevent women from entering the workforce, acquiring higher technical and leadership skills, starting and running successful businesses and becoming role models for other women.

While the programme's business case focused on interventions that would strengthen the private sector and therefore make it more capable of delivering inclusive economic growth, it did not include a scope for addressing the systemic issues that affect women's economic empowerment. As a result, PEPZ did not design activities specific to the needs of women's economic development. Future programmes should analyse factors that prohibit women from fully participating in the economy and make these issues a core component of the business case, enabling programmes to design interventions that address the wide array of challenges specific to the needs of women. PEPZ, for example, did not include specific gender targets—only a gender disaggregation of overall programme targets.

Beneficiaries confirmed that PEPZ's support was successful in helping women entrepreneurs overcome roadblocks that were impeding their business growth such as access to technical expertise, facilitation of business linkages, in-house capacity and capital access.

All grantees from more recent years of PEPZ (2018 to 2019) received support to address their financing gap whereas capacity building to increase in-house capacity and access to technical expertise was a larger focus in previous years. Most of the recent grants incorporated training efforts for external beneficiaries such as SHFs, agro-dealers, goat breeders, crafts producers, and others.

However, no specific gender targets were set, such as recruitment of female employees, training of female staff or linkages with female-owned suppliers. The main reason for this was that these targets would have been too ambitious due to the systemic underlying gender issues in the business environment.

What are the lessons learned and recommendations?

A number of lessons learned and recommendations for future DFID programming emerged from the PEPZ experience.

Incorporate Women's Economic Empowerment as an objective into the business case

To ensure that a private sector development programme addresses systemic gender issues within the business environment and target sectors, it is paramount that WEE is incorporated as a primary objective from the programme's onset (e.g. the business case) and integrated in the logframe on both output and outcome level.

Develop a tailored gender approach for target sectors

In line with recommended best practices, a more intentional and tailored gender approach should be incorporated into the strategy of each target sector as it may differ depending on the situation in the target country/region. This should include an in-depth assessment to understand the gender-based constraints and opportunities within the target sectors (female crops, crafts, hospitality) and how they can impact the design of activities to facilitate best possible results for WEE.

In order to ensure intentionality of the gender approach within a programme's strategy, it is recommended that the Terms of Reference specifically require for the gender approach to be integrated into sector strategies to avoid for it being side-lined.

Consider gender implications when planning activities

Consider specific gender challenges and opportunities when planning activities and designing interventions. Cascade targets down to grantees during design stage and take actions that expose and meet the different needs and constraints faced by women and men in order to ensure that both benefit from interventions.

Collect feedback from grantees and beneficiaries to learn if there are any issues impacting women's ability to participate in the identified activities. Incorporate learning into design of new activities.





Increase outreach to rural areas and provide tailored capacity building for female entrepreneurs

Target women in rural areas as an effort to change gender norms and perception of women in business within more traditional communities. Tailor capacity building to the target group of women, e.g. leadership and negotiation skills for female entrepreneurs or technical training for women in manufacturing jobs.

Make sure women's specific needs and challenges are considered when organising trainings in rural communities.

Track impact effectively

Put in place a monitoring, evaluation and learning framework that not only disaggregates targets by sex but also tracks systemic change for both sexes. Results that come through the MEL systems can then be analysed and used to update the gender strategy.

Further to that, it is crucial that the levels of progress are assessed on a regular basis so that interventions and the distribution of available resources can be realigned as needed.

Coordinate with other stakeholders

At the programme level it is important to coordinate with local public and private stakeholders to identify areas for collaboration and champion WEE locally.

There is an opportunity to work together to understand what works, what doesn't work, and how support to women and men can be improved collectively. Findings and learnings should be presented and shared locally, regionally and internationally.