

Women-led businesses key to unemployment alleviation in SA - Sandwich Baron CEO

Sandwich Baron CEO and founder Sally J'Arlette-Joy believes that women-led businesses are the key to alleviating South Africa's growing unemployment rate.



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She says that female entrepreneurs will generate 90% of the 11 million new jobs projected for 2030 by the National Development Plan (NDP). J'Arlette-Joy's sentiments come when Statistics South Africa [recently announced](#) the unemployment rate increased by 1.4% from 27.6% in the first quarter of 2019 to 29% in the second quarter of the year.

"At the risk of oversimplifying issues, at our current rate, we will not be able to meet the NDP's employment goals. There needs to be better support for small, medium and micro-enterprises (SMME), especially those led by women. SMMEs have a higher labour-absorptive capacity, which is what is needed to halt the surging unemployment figures," she adds.



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Stereotypes and financial woes

The Small Enterprise Development Agency (SEDA) notes that 72% of micro-enterprises and 40% of small enterprises are currently owned by women, but that these businesses are concentrated in the survivalist economy or bottom end of the market.

The reason for the imbalance, J'Arlette-Joy says, among other things, relates to women being boxed into stereotypes and archaic gender roles.

A new report by the Small Business Institute (SBI) claims that South Africa has a quarter of a million formal SMMEs, accounting for just 28% of formal jobs in the economy. This is despite SMMEs accounting for nearly 98.5% of the number of formal firms in the economy.

But J'Arlette-Joy, an owner of 47 franchise stores, says the majority of SMMEs struggle with gaining access to funding in their initial phases, which in turn limits their hiring power. Exacerbated financial woes have been cited as the leading cause of the closure of most small businesses.

"A 2010 FinMark Trust survey found that 87% of small formal sector firms had never accessed credit. While a 2016 GEM survey found problems with finance led to 28% of entrepreneurs closing their businesses in 2016. These limitations cloud the potential SMMEs have in alleviating unemployment," continues J'Arlette-Joy.



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More women in business

As one of South Africa's women franchisors, J'Arlette-Joy understands the power businesses have in creating employment.

According to the Franchise Association of South Africa (Fasa), 40% of all franchise stores in South Africa are owned by women. In 2017, the fast food and restaurant sector consisted of 845 franchisors and over 40,000 franchisees. A *Business Tech* report stated that the sector employed about 343,000 people and generated sales of R587bn. This equals 13.3% of the country's GDP, up from the 9.7% recorded in 2014.

"In the 23-years of managing my business, I have never experienced my gender as a hindrance, but rather being a woman has offered me the edge and drive I may not have possessed otherwise. But this does not mean that other women aren't prejudiced in business based on their gender. We need more women in business," she says.

Her sentiments are echoed by Quantopian's study where, between 2002 and 2014, researchers compared the returns of Fortune 1000 companies led by female CEOs to those of the S&P 500. During that time, the companies with women at the helm saw returns that were 226% higher.

"There is no doubt that women bring a diverse form of leadership to organisations and are playing a vital role in the job creation space, but more needs to be done if we are to reach gender parity by 2030 as stipulated by NDP. With more women etching out a living as entrepreneurs, the old mindset of a women's place being at home is fast fading and the whole country can benefit from more women entrepreneurs," concludes J'Arlette-Joy.