

ENTREPRENEURIAL CHALLENGES FACING FEMALE ENTREPRENEURS IN INFORMAL MICRO BUSINESSES: A CASE STUDY OF UMHLATHUZE MUNICIPALITY

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Abstract

In low-income economies, large gender gaps suggest that fewer women engage in entrepreneurial activities. The quest for gender inclusion has been a relevant issue, contested among scholars investigating ways to alleviate poverty through economic growth in South Africa and the sphere of entrepreneurial studies.

The aim of this study was to investigate the obstacles that female entrepreneurs in micro-informal enterprises face in the uMhlathuze Municipality in South Africa.

Twenty-four (24) females who operate small, medium and micro-informal enterprises were interviewed using a qualitative research methodology. Content analysis was used to examine the data.

Females confront various challenges, including criminality, draughts, non-conducive working settings, and intense competitiveness, according to the research. Lack of infrastructure, funding and information, education and training, and operational permission concerns are all obstacles to business development. The key issues that most of the participants faced were a lack of funds, infrastructure, and education and training, all of which were used to develop recommendations.

The municipality should establish training centres in each township to train and educate women who want to start or expand their businesses.

The study seeks to contribute to the literature on women entrepreneurship in the informal sector by focusing mainly on challenges/barriers hindering female entrepreneur's success in the uMhlathuze Municipality. They are limited studies that have conducted a similar research in this geographic area.

Keywords: employment opportunity, entrepreneurship challenges, female entrepreneurs, micro-informal businesses, poverty alleviation, South Africa.

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1. Introduction

The drive for gender inclusivity in entrepreneurial activities remains one of the most topical issues in developing countries [1]. In a typical patriarchal society, women are marginalised and allotted less important tasks mainly in the home whilst men perform major economic tasks. Whilst known stereotypes have been identified in the literature to cause this segregation of women in general, research on unique challenges facing female entrepreneurs remain unexhausted. Therefore, the objectives of the study were to understand the challenges facing female entrepreneurs in informal micro businesses in uMhlathuze municipality and to assess the impact of entrepreneurship on the sustainability of livelihoods in women-led enterprises.

According to [2] as well as [3], globally in 2012 there were 126 million females who were establishing innovated and new entrepreneurship or businesses. According to [4], women entrepreneurship denotes one-fourth of well-known ventures and also one-third of entirely established business activities around the globe. [5] stated out that there are 12.3 million business in the United States of America who are owned by females. Globally, female-founded start-ups receive only two

percent of total investments by venture capitalists, while men account for ninety-two percent of partners in the top 100 venture capital firms [6].

Half of population in South Africa is women but when it comes to entrepreneurship women are still minority. Most of men are more likely to be active in entrepreneurial activities, while only thirty-one percent of entrepreneurs are female. The percentage of male to female participation in early-stage entrepreneurial activity differs. About thirty-eight percent of South African small and medium enterprises are male-led, thirty-four percent women-led and twenty-eight percent have a balanced team. The SME Growth Index reveals that most women-owned ventures are smaller than ventures that are owned by males. Furthermore, the average turnover of women-led enterprises is at 8.2 million dollars, which is lower than of 12.1 million dollars of male-owned ventures on the Strategic Business Plan (SBP) [7].

Gender-based stereotypes are still restricting women's prospects in business. Female competences and potentials are not fully established to empower women in making full contributions in the society [8]. Contrary to this perception, [9] argue that women have showed so much interest in entrepreneurship as they are taking part in starting and running innovative and sustainable businesses. Some of the drivers for this change are uneven rates of pay and also limited upward mobility for women within corporations. In addition, [10] argues that many females who are in private business are more likely to work flexible and are more likely to manage responsibilities more effectively.

Despite the above positives in terms of women empowerment, extensive gaps may remain. Gender gaps in female business entry replicate disparities in women's legal rights, as they signal other disparities in access to institutions, getting a job, use of property, providing encouragement to work, building credit, going to court and protection from violence.

Research Objectives of the study

- To understand the challenges facing female entrepreneurs in informal micro businesses in uMhlathuze municipality.
- To assess the impact of entrepreneurship on the sustainability of livelihoods in women-led enterprises.

1. 2. Literature Review

Many scholars have looked at the challenges of women-led ventures around the globe, but there is still inconclusive argument on the existing literature. Empirical literature of obstacles of women-led ventures in micro informal businesses is provided in this section.

Theoretical Support

The research can also be connected to Schumpeter's theory of innovation (1934). Even in the twenty-first century, this theory's popularity is growing [11]. According to this idea, in capitalist countries, innovation and entrepreneurship are notions that cannot be divorced from economic growth [11, 12]. Entrepreneurship fosters an inventive mind-set, driven by the urge, to spot and capitalize on business opportunities. Entrepreneurs that take advantage of discovered opportunities have a beneficial impact on economic growth by creating jobs and activating economic value chains that provide wealth and growth for society [12].

Entrepreneurs who seize chances have a positive impact on economic growth by creating jobs and activating economic value chains that provide society with wealth and prosperity [12]. According to the Schumpeter theory of innovation, unemployment is caused by a lack of new entrepreneurial endeavours. Entrepreneurship reduces unemployment because it stimulates the creation of new businesses [13]. According to [14], low rates of entrepreneurial activity are frequently associated with high unemployment rates. Lack of business knowledge, innovation and skills to establish start-up enterprises increases unemployment and impacts economic growth negatively [15].

Entrepreneurship and Its Contribution

There are high chances of economy upliftment as well as job opportunities when countries recognises the importance of entrepreneurship, because entrepreneurship brings new, innovative and sustained businesses. Many scholars have defined the entrepreneurship but [16] defined it as

the element that creates employment and reducing poverty only when people use skills, knowledge and seize the commercial opportunity to start their businesses. This notion has been supported by [17] stating that South African GDP is boosted by the SMEs as it contributes more than 36 per cent in the Country. [18] further stated that the economic development of South Africa can be improved through entrepreneurship and can be a tool of reducing inequality and unemployment. Nevertheless, challenges like networking opportunities, finance, non-conducive working environment and governmental support remains in the quest to consolidate entrepreneurship in many developing countries. Advancing capital formation, lessening social challenges, reducing concentration of economic control as well as bringing balance regional development is useful shared growth and development.

2. Materials and Methods

The target population on this paper are women-led ventures in the small, medium and micro- informal sector in uMhlathuze Municipality (Esikhawini, Vulindlela, Nseleni Ngwelezane, Richards' bay and Empangeni). Purposive sampling was used to select the respondents, and thereby twenty-four respondents who were willing to take part in the study were selected following the notion of data saturation. There were twenty-four participants in this study, six from Eskhawini, another six from Empangeni, another six from Richard's Bay and the last six was from Engwelezane.

In term of collecting the data, this paper adopted in-depth semi-structured interviews. [19] argues that interviews are divided into three, such as structured, semi-structured and unstructured interviews. According to [20], semi-structured interviews act as the guideline throughout the interview process. While unstructured interview is like normal conversation where only few or no interview question asked. In this study, all interviews were planned and took 27 minutes to 40 minutes per session. Many interviews were conducted in participants' working environment or at pre-determined locations. Few interviews were done through telephone because other participants were busy on that time. In terms of avoiding distortion, all recordings were saved on the recording gadget and on the researcher's laptop. The researcher explained to the participants about the consent form and the participants signed the consent forms. The hardcopy of the consent forms are available on request.

2. 1. Data Analysis

To analyse the data, thematic content analysis was used. According to [21], thematic content analysis is the sets of techniques, used to analyse textual data and elucidate the theme. Their key characteristic is the systematic process of coding, examining of meaning and provision of a description, supplemented by graphs and pie charts of the social reality through the creation of theme [21: 100]. In this paper, the themes were created using the research questions, and therefore, the graphs and pie-chart graphs were the results from the themes. This paper used the qualitative method.

3. Results

3. 1. Coding Sequence

In this paper, 24 females were interviewed using semi-structured interview on the following sectors, which are manufacturing, finance, accommodation and catering nearby uMhlathuze municipality. The data revealed that twenty-five percent own cooperative micro-informal businesses and seventy-five percent of respondents own a sole proprietorship where a thematic content system was employed. Some other business has more than 10 years functioning, and some have less than 5 years. The main reason, given for starting their business, was that entrepreneurs felt motivated to embark on the journey of being successful.

The results from this analysis are presented in themes and sub-themes. The themes are organised as follows:

1. The contribution of entrepreneurship to livelihoods
2. Municipal support for entrepreneurship
3. Challenges, faced by women entrepreneurs in micro- informal businesses

4. Extent, to which these challenges affect the business
5. Strategies for minimising female entrepreneurship challenges
6. Entrepreneurship enhancement by the local municipality

3. 2. Contribution of Entrepreneurship to the Livelihoods of Female Entrepreneurs in Micro-Informal Businesses

About ninety-two percent of the respondents were of a view that entrepreneurship contributes towards their livelihoods. Respondent 13 stated that entrepreneurship contributes a lot to their livelihood, “*My small business contributes a lot in my livelihood because I am able to provide for my family and save some money*”. Respondent 18 further stated that entrepreneurship does contribute to their livelihoods, as individual owners of the business and it also contributes towards the development of their community as it reduces unemployment, “*It doesn't only contribute to me as owners but also to the community at large because so far I have hired 3 girls for cooking assistance and 2 boys for installing tents. People have jobs because of this business*”. [17] further support the finding by asserting that the important tool in reducing poverty and boosting the economy is to take part in entrepreneurship activities as its also increase employment opportunities.

About ninety-two percent respondents stated that because of their micro businesses they can take care of their families. Nevertheless, eight percent of the respondents has a different view saying that their businesses are not operating anymore because of the obstacles that they are encountering, therefore there is no contribution in their livelihoods. Others even asserted that even their love of embarking on the entrepreneurship journey has dropped to zero level because of this plethora of challenges. Furthermore, the inability to access funding and business networking opportunities also adds to their demotivation. This echo [22] view that despite claims of entrepreneurs being supported by both private businesses and government, they face many challenges that affect their growth in South Africa.

Theme 2: Support from the Local Municipality

The posed question to the recipients was “Do you think that the available municipality policies were adequate in encouraging women to be entrepreneurs”. Policies, implemented or set by the government, are the measure instruments in enhancing the entrepreneurial activities, as the aim is to enable new businesses and sustainably. Many recipients stated that the municipality needed to do more, especially in rural areas, in terms of promoting women entrepreneurs. Respondent 9 asserted that out of 5 women entrepreneurs, only 2 female entrepreneurs get assistance on the municipality programs, “*I think they are trying because it is impossible for them to satisfy all people*.” Furthermore, Respondent 15 further mentioned, “*Yes, local municipal policies are there, however more needs to be done in terms of policy development*”. This statement is supported by [23] who argue for policy interventions, aimed at mentoring and supporting entrepreneurs. Further they argue for emergency interventions because many start-up businesses in South Africa are likely to discontinue due to incurring challenges and lack of support.

Theme 3: Challenges Faced by Female Entrepreneurs in Micro-Informal Businesses

Recipients were of the view that the inability to access banking support, networking opportunities, information about the market as well as the lack of funding are the major obstacles hampering the development of women-owned micro-informal ventures.

Sub-theme 1: Lack of Finance

All respondents highlighted that after the establishment of their ventures, development, sustainability and growth finance becomes a major hindrance to their businesses. According to Respondent 4, “I feel that now is the time to extend my business but because the lack of funds it is very impossible to expand, as the lack of funding is hindering the progress, because expanding the business means high productivity and high cost, so I need to get money in order to grow my business”. Few farmers with a very large target market to satisfy said, “I discovered that we really need to grow the business in order to satisfy our local people's needs” (R4). This is supported by [24–26] stating that in South African many entrepreneurs are facing financial challenges, which limit their developments. According to [27], small and micro businesses have no collateral assets

because most banking institutions are denying them final loans. Respondent 7 was of a view that lack of finance affects her business negatively making it difficult to attract new customers and to keep existing customers. *“If I had lots of money I would have moved to inside the building of the mall (the rent is very expensive there) because if your business is inside the mall, it simply means that I would have attracted so many customers because other people they don’t want to walk outside the mall because here we do not have enough parking. Also if it rains, there is lots of red mud, which makes their shoes dirty but if am inside the mall I would not worry about all of that because there are enough car parking and there is no red mud”*. Entrepreneurship has been viewed as the tool that drives inclusive development in many developing countries. Therefore, financial support should be available whenever its needed.

This is supported by the [28], which states that many South African environments are not good for small businesses, more especial the start-up business that still have high-rate failure. The author further stated that South African government is trying so much to avail the programs that assist SME growth and entrepreneurial development. The study by [28] further states that promoting the entrepreneurship culture is very unlikely in SA because of its non-conducive environment.

Sub-theme 2: Challenges of Formalisation

For Respondent 8, “the formalisation of businesses allowed many of these disadvantages to be resolved, as they were able to apply for funds, seek professional mentorship and benefit from government support programmes for women.” However, [29] asserts that formalisation of businesses is the main challenge in the informal sector. Even though many South African small businesses want to formalise their businesses, they remain not be registered because of obstacles regarding business formalisation. Most of the South African economy is being boosted by informal business for example the average income between R100 and R200 billion per year comes from 120,000 South African spaza shops [30]. The informal sector, which accounts for 17.4 percent of informal businesses, plays a critical part in providing incomes to those who cannot find work.

Sub-theme 3: Customer Retention and High Competition

Concurring with [31], when the company avoids moving to their opponents but have an ability to turn their customers into repeat, it is called customer retention. As a performance-metric, it shows whether the services and/or the product please the current clients. It is also the lifeblood of most subscription-based service providers and companies. Three percent of the respondents mentioned that finding new clients and also keeping the existing clients is very difficult, more so especially when a business has limited resources, infrastructure and experiences lack of finance. Respondent 1 says, *“I’m in the media industry and primarily focus on photography and videography. One major challenge I face is uncertainty within the industry, as it is not guaranteed that I will get clients every day.”* Many businesses find it difficult to keep their existing clients loyal all the time, more especially in the case when a client refuses to pay after getting a product or service on credit. Therefore, businesses will not make any profit if the above-mentioned circumstance happened.

High competition in market is extreme to an extent that many businesses are failing to attract new clients. For instance, Respondents 7, 22, 23 and 24 stated that “there is too much competition, which negatively affects their businesses, as it makes it very difficult to attract new clients.” Respondent 7 says, *“As you can see there are so many saloons here (Eskhawini Mall) and we charge the same price, so it’s very difficult to attract new customers”*. This statement recalls [32] assertion that the emerging entrepreneurs encounter challenges in dealing with competition from businesses selling homogeneous product or services competing for the patronage of the same consumers. In the businesses industry competitors become the potential and important intimidating forces that some businesses confront. This is why entrepreneurs are constantly monitoring competitors’ strategies, products, and services they offer, advertising, pricing policies, scanning the environment and quality assurance standards [32].

Sub-theme 4: Lack of Education and Training

Ten percent of the respondents stated their business are not doing well because they did not receive any proper training on running businesses. They also stated that to be successful in the market you need to acquire skills, such as management skills and entrepreneurship skills, to run a sustained venture. According to [33], poor administration is a major obstacle that most SMEs are

encountering. Respondent 24 noted, “*Sometimes I run out of grocery at home, and then I find myself using the money for business for my own personal use simply because I do not have a required skill on how to manage my profit*”. Lack of education and training is usually linked to the lack of information. Several authors have argued that insufficient planning is usually linked with poor managerial skills, which cause challenges to many women-led companies [34] including lack of strategic planning, lack of a business plan, unintended expansion, and choice of a wrong location [35].

Sub-theme 5: Lack of Information

Respondents 21, 23 and 24 noted that they lack information and that it affects their businesses because if one does not know that there are programmes, designed to assist female entrepreneurs financially, it means one loses those opportunities. Respondent 21 says, “I don’t know that there are programs that can support us financially and the biggest problem is that we are illiterate, therefore we do not have an adequate information on where to go and where to get an assistance, more especially from our municipality.” This implies women are ignorant of regulations and policies relating to their own welfare, which might be driven by low levels of literacy and education opportunities among women. Government efforts to assist women in business also fail because many women entrepreneurs are not aware of the available programs because they do not publicise the information regarding to programs. [15] notes the factors that affect SMEs at every stage of business development. Hidden or absent information are one of the primary impediments facing policymakers when it comes to the growth cycle. More extensive assessments of the SMEs lifecycle, according to [36], would allow policies to be targeted more effectively. Oman is a good illustration of this [37].

Sub-theme 6: Non-conducive Environment

Challenges like time management, droughts, operational permit issues, non-conducive environment as well as limited infrastructure and resources has been mentioned as main obstacles that makes their businesses to fail. Key impediment to business growth is caused by the lack of access to physical infrastructure. According to [17] an environment conducive to the creation and growth or transformation of enterprises on a sustainable basis combines the legitimate quest for profit. A study by [17] shows in Gauteng small ventures are failing to get physical space to operate. Respondents 15 and 16 mentioned that a non-conducive environment is another big challenge, as it destroys the development or growth of the venture.

Sub-theme 7: Lack of Resources and Infrastructure

Nine percent of respondents said their major challenge is the lack of resources and infrastructure. Respondent 19 said, “*We have no shelter, and we are guided by weather, if it is raining or too hot, we struggle to work because the clients prefer to go to a salon because they have shelters. Some clients they want us to charge lower prices and that is a loss to us*”. Furthermore, Respondent 21 mentioned that they lose many customers due to bad/poor infrastructure. These findings support previous studies, which argue that many small businesses in South African are not sustainable because they lack entrepreneurial culture and non-conducive environment has negative effect [38]. As a result, there is a high failure rate of small business due to current poor/non-conducive entrepreneurship environment [28].

According to Respondent 2, lack of capital is the biggest problem, faced by entrepreneurs. “*I have problems with renting my accommodation, since people no longer want to live there because the roof is leaking, the windows are broken and rusted because I have no money to fix it*”.

Sub-theme 8: Crime

For their part, Respondents 4, 5 and 6 highlighted that crime is one of their major obstacles, as high levels of crime in South Africa has been identified and has a huge negative impact on SMEs in both formal and informal ventures. [22] stated that many small businesses do not make sufficient cash to sustain their businesses, but because of crime they also need to take those small profit to invest in security, which increases expenditure of the businesses further lowering their expenditure. Consequently, when the business prioritises only the security and safety instead making profit that will put the business at risk of get minimal profit. [17] stated that crime is unavoidable, as a result many small and micro business are encountering such problem where some business is closed due to crime. [32] argue that even though crime affects both formal and informal businesses it leaves a huge scar to informal businesses because they do not make enough profit to care for business daily

activities let alone ensuring safety by hiring security guards. Therefore, the businesses that are risk are those who can't afford to hire or invest on security.

The authors further revealed that many informal business owners do not have the insurance against their properties and theft.

Those whose businesses are located where there are high crime rates have to spend a lot hiring more security guards and that is costly for the business. *"We are trying to minimise the problem by hiring two security guards that actually stay there in the forest from morning and at night. For burning our equipment, we bought the fire extinguishers to minimise the problem of burning of our equipment"* (R4). In addition, [32] argue that informal sector operators may be less forthcoming in terms of reporting crime, due to the fear of retribution or a less favourable relationship with, or perception of, the police.

Sub-theme 9: Drought

The agricultural sector has been affected by droughts recently, which put them at risky. Six percent of the respondents stated that their farming activities have been negatively affected because of droughts. Their yearly farming activities has been in jeopardy due to not having reliable water bodies. There are businesses that cannot operate without water; therefore, they are also affected by droughts. Businesses like saloon have been negatively affected because Municipality cut water during the day, which makes them forego some income. Other businesses have bought Jojo tanks, which are their strategy to overcome water problem, they are forced to pay for trucks to fetch water for storage in their jojo tanks, which increases expenditure for the venture.

Respondent 2 stated, "If I do not have water, I can't wash people's hair meaning I lose clients and profit. Since I can't afford to buy a Jojo tank, I have bought 20x20 litres of storing buckets to loads water in case we do not have water." (R2). This statement is supported by [18, 28] who viewed that entrepreneurial growth is being suppressed by poor infrastructure in South Africa.

Sub-theme 10: Operational Permit Issues

Respondents 6 and 13 mentioned that another challenge encountering is the issue of operational permit when selling alcohol. [15] recalls that another critical constraint to the growth and success of small businesses in South Africa is the issue of laws and regulation. While [39] reveals that unfavorable entrepreneurship laws are one of the cause of unfriendly regulatory environment in SA, which cause the loss of forty percent jobs that was supposed be demonstrated by 1.5 million enrolled SMMEs.

The respondents were asked the extent, to which these challenges affect their operations. In their response they highlighted that catering business operators charge double amount because of insufficient resources, while others opted out that they have left with few or no customers due to this negative impact. As the result they end up having small profit and these challenges led them production inefficiencies and losses resulting in business closures. Respondent 22 highlighted, "People prefer to buy from the well-known restaurants and that leaves us with no customers and with no funding, and we have shortage of needed resources that will help to attract more customers". Additionally, Respondent 16 also mentioned, "These challenges that we are facing are very destructive; they are a stumbling block towards my income".

Theme 5: Strategies for Minimising the Impact of Challenges Facing Female Entrepreneurship

Even though they are facing challenges most of businesses they have come up with strategies of overcoming those challenges. Some of them depend solely on these micro-informal enterprises to earn a living as a result they tried by all means to come up with these strategies in order to stay on the entrepreneurship journey. They have made use of social media to advertise their ventures in the time of difficulty. Some respondents have been helped by their families and friends in terms of getting finance. Most of catering operators have used the strategy of non-refundable deposit when someone book for serving, which is good to the business when the clients change his/her mind regarding the service. Respondents 8, 10, 11 and 12 explained that by doing so clients became more committed, so as not to lose their deposits. Furthermore, Respondents 14 and 20 say they make group contribu-

tions to buy what they want at that time to mitigate the problem of inadequate funding, “Most of the time we contribute as members (5 members) in order to buy what are we aiming to get”.

Respondents 13, 15 and 16 asserted that there is an expansion in their market that is caused by advertising on social media. They further explained that social media has assisted them on overcoming ongoing competition of small business and social media also allows clients to book online. Respondents 22 and 24 were of the view that giving quality products or high standards of service build a strong bond between client and a business owner. Although customers change their tastes and preferences now and then, but as the operator you need to make a customer believe in your product or service. Continuous market research is therefore required to ensure the right products are offered to consumers [40].

Due to lack of finance, Respondents 13, 15 and 16 stated that they are forced to take small loans from friends, family and loan sharks in order to sustain their business. Most women do not receive capital from credit institutions but instead start their enterprises using own savings, borrowings from family and friends or even sale of personal assets [41, 42]. Respondents 2, 4, 17 and 18 has identify the droughts as their major constraint in their ventures, but they hire water canons and trucks with the sum of R400 per single trip to fill up their Jojo tanks. Even though that jojo tanks helps but it only lasts for two days, which is the extra cost for their ventures. Agricultural businesses use water for irrigation and poultry, and hairdressers use it to wash clients' hairs. Respondent 4 further explains, “*In terms of droughts we bought big Jojo tanks that will actually be enough to store water, especially as animals drink lots of water and also for water irrigation further explain that*”. For her part, Respondent 2 says, “*I have bought 20x20 litres of storing buckets to load water in case we do not have water*”. This is because she could not afford to buy Jojo tanks and hire the water truck to refill water.

Another strategy that is used by hairdressers on overcoming the issue of limited infrastructure is to work hard on street corners, more especially when the weather is good/conducive. Respondent 19 stated that “*We work very hard when the weather is allowing us and we develop strong and good relationship with our clients*”. Respondent 5 said that her major obstacle in her farming business is when the monkeys comes for eating her green bananas when they are ready to be harvested, while Respondents 4, 5 and 6 are being affected by crime, which forces them to hire security guards for safeness. She responds this way, “*In terms of mitigating the challenges what I have done is I took a bamboo stick and make something like a human being and dress it with my clothes just to scare the monkeys because they will think that it's a human being then it will frighten and ran away without taking my banana*”. Respondents 2 and 16 respond by diversifying their business. “*It's hard to mitigate against then really because they hinder one from obtaining income, so I usually have multiple ventures where I can sell my product, so if venture A is bad, I go to venture B*” (R16).

Theme 6: Entrepreneurship Enhancement by the Local Municipality

The respondents were asked, “Going forward, do you think the municipality can further enhance entrepreneurship as a tool that contributes to the livelihood of women?” All the respondents said the local municipality should support female entrepreneurs as it is a weapon for alleviating poverty. Respondent 12 said, “*Yes, the municipality can further enhance entrepreneurship as a tool that contributes to the livelihood of women because entrepreneurship is being recognised as a way out of these socioeconomic issues, therefore entrepreneurship will contribute to a better country*”. This view is supported by [43] who argue that entrepreneurship is one of the best vehicles that drives any country's economy growth and which also aids global development.

According to [44], job opportunities and economic activities can be accumulated through entrepreneurship among sectors and identifies new growth areas. Respondent 7 said, “*Yes, nowadays there is high unemployment rate in the whole of South Africa. If the municipality can motivate the women to have their own business, it will actually decrease the unemployment rate because woman will hire other people if the business grows, which will automatically alleviate poverty*”. This view is confirmed by the [17], which states that the South African GPD is being boosted by thirty-six per cent of SMEs. Therefore, [23] argues that entrepreneurship can be very helpful in

term of addressing real worries of inequality as well as poverty per se but only if entrepreneurship development is being realised as one of the vital areas that can improve the economic growth in South Africa.

The study has investigated the challenges that female entrepreneurs are facing looking to a case study of uMhlathuze municipality. The study did not look at the whole province; therefore, future studies can explore of other parts of the province. Another area that would be interesting would be to compare the informal and formal sectors to identify gaps between the two.

Furthermore, it would be interesting would be to look at the impacts of the local municipality's assistance to female entrepreneurs. Looking at the findings, it is being identified, that it would be better if municipality introduces these programmes to the community. Therefore, this area needs to be researched. Strategies of overcoming the challenges, faced by female entrepreneurs, are not yet well-studied. Therefore, this area could present an opportunity for further research.

4. Conclusion

Globally many thriving scholars have been writing about the concept of female entrepreneurship and its challenges. However, the challenges remain and many women-led ventures discontinue. Poverty reduction, job creation and economic growth can be achieved through micro-informal ventures. However, due to these challenges (lack of market, lack of financial support, lack of education and training, operational permit issues, time-management, non-conducive environment, droughts, crime and lack of infrastructure), many micro-informal businesses are likely to fail. Therefore, the tool that can be used to fight unemployment and poverty is through entrepreneurship. Also, economic growth can be achieved as well as unemployment can be overcome by entrepreneurship.

The results of this paper reveal that local municipality should offer business support to these females-led ventures. It also demonstrates that most of these issues are not being addressed by present assistance programs. According to the findings of this study, many female entrepreneurs are ignorant of current support programs, which is a major barrier to potential beneficiaries taking advantage of the resources available. The findings also show that women believe the government undervalues their contributions to the micro-informal enterprise sector.

Recommendations:

(a) It is suggested, that the municipality publicizes its support programs for female entrepreneurs by conducting meetings every three months or such.

(b) It is recommended, that the municipality must establish a support and training center where female entrepreneurs can learn how to start a business, stay motivated, and apply for funding.

(c) Female entrepreneurs are encouraged to gather on a regular basis to discuss their issues and the tactics they use to overcome them in order to encourage other female entrepreneurs.

Conflict of interest

The authors declare that there is no conflict of interest in relation to this paper, as well as the published research results, including the financial aspects of conducting the research, obtaining, and using its results, as well as any non-financial personal relationships.

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Data availability

Data will be made available on reasonable request.

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