

## Chapter 11

# Fostering Women's Entrepreneurship, Mauritius

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### 11.1 Context

Mauritius is touted as one of the economic success stories of Africa. It has demonstrated an impressive growth record largely due to trade-led development (Zafar 2011). In 2013, Mauritius overtook South Africa to become the most economically competitive country in southern Africa (Phiri and Kannan 2014).

Although Mauritius has made significant progress in promoting gender equality and women's rights, significant disparities persist. Mauritius is ranked 72 out of 148 countries in the Gender Development Index (GDI) for 2013 (UNDP 2013). In a total population of 1,258,653 in 2013, there were 635,792 women and 622,861 men. Mauritius has attained near gender parity in primary school education and girls dominate slightly in secondary education. The government has also undertaken a number of legal reforms to remove gender-based discrimination in law. Following the amendment to the Local Government Act of 2011, which provides for a 30 per cent female quota, women's representation in local government increased from 13 per cent in 2001 to 37 per cent in 2011 (Government of Mauritius 2012). However, there has been regression in some of the gender equality indicators. Female representation in the national parliament decreased after the December 2014 election, with women constituting only 11.6 per cent of the national parliament (IPU 2015). Similarly, poverty among female-headed households has increased – 17 per cent in 2013 compared with 7.3 per cent in 2012 (Government of Mauritius 2013).

Women have contributed significantly to the economic growth story of Mauritius. The establishment of Export Process Zones in the 1970s provided an impetus for the entry of women into the formal workforce in large numbers. In the period between 1983 and 2001, the number of women in full-time employment increased by 81 per cent (Day-Hookoomsing and Essoo 2003). However, female employment is largely restricted to low-level, low-paid jobs. The World Economic Forum's Gender Gap Index ranked Mauritius 106 out of 142 countries (Bekhouch, Hausmann, Tyson and Zahidi 2014), which is largely explained by low female labour participation rates and low levels of estimated earned income. Female participation in the labour market at 45.1 per cent is significantly below that of men at 75.1 per cent (Government of Mauritius 2013). Women constitute only 38 per cent of total non-agricultural employment (Bekhouch *et al.* 2014). Average income tends to be lower for women than for men – average income for women is approximately three-quarters of that earned by men (Government of Mauritius 2013).

In 2013, the active Mauritian population (aged 16 years and above) stood at 571,200, with 350,400 men and 220,800 women. Active women represented 45.4 per cent of the female population aged 16 years and above, compared to 75.1 per cent for men. From 2004, female unemployment has exceeded male unemployment and the gender gap in the labour market has increased considerably (Tandrayen-Ragoobur and Ayriga 2012). The female unemployment rate in 2012 stood at 12.7 per cent, much higher than the rate of 5.3 per cent for males, and accounts for 60 per cent of total unemployment (Government of Mauritius 2013). The level of women's entrepreneurship is also quite low in Mauritius. In 2013, only 10.8 per cent of women were employers or own-account workers compared to 23.3 per cent of working men (Government of Mauritius 2013). Furthermore, in 2013 only 17 per cent of firms had female participation in ownership (Bekhouch *et al.* 2014).

## 11.2 Key institutional actors

The National Women Entrepreneur Council (NVEC), which works under the aegis of the Ministry of Gender Equality, Child Development and Family Welfare (GECDFW), was set up by an act in 1998 (NVEC 1999). The primary objective of NVEC is to foster a culture of women's entrepreneurship in Mauritius. Membership is open to any association of individual women entrepreneurs. It is the only Mauritian parastatal agency that caters only to female entrepreneurs. NVEC offers a range of support services – counselling, marketing assistance, micro-project development, training, exhibitions and fairs – with a view to enhancing the growth of women-owned enterprises.

The main objectives of the NVEC are to:

- Ensure effective communication between the council and its members.
- Identify actions and projects that will promote entrepreneurial activities of women.
- Evaluate and assess the needs of women entrepreneurs.
- Establish training programmes aimed at improving the skills and management aptitudes of women entrepreneurs.
- Develop working links and affiliation with other bodies, whether in Mauritius or abroad, having the same objectives.
- Examine and evaluate the contribution of women entrepreneurs to the various sectors of development in the light of national needs and priorities.

Other organisations that support women's entrepreneurship in Mauritius include the National Empowerment Fund, Small and Medium Enterprise Development Authority and Corporate Social Responsibility Initiative. All these institutions undertake specific programmes to facilitate women's access to resources, skills and employment.

### 11.3 Theory of change

From the year 2000 Mauritius experienced a large number of closures in textile and clothing firms resulting in massive layoffs of women. The unemployment rate in Mauritius at the end of 2010 was at 7.8 per cent. Around 70 per cent of the unemployed were women (Kasseeah 2012). At the same time the government realised that women's entrepreneurship held great potential in Mauritius as the number of self-employed females had increased by 150 per cent between 1990 and 2000 (Day-Hookoomsing and Essoo 2003). The Government of Mauritius promoted a culture of women's entrepreneurship with the twin objectives of reducing female unemployment and promoting gender equality.

The Government of Mauritius recognises that women face specific challenges in establishing and growing their businesses. Mauritius has been encouraging women to set up their small businesses but many of them are involved in low value added activities such as the production and sale of food, handicrafts and souvenirs. They engage in similar activities and compete among themselves, thus making it difficult to create a niche for their products. They are disadvantaged by a lack of skills and education (Kasseeah and Tandrayen-Ragoobur 2014).

The NWECC was therefore established to be both a driver and facilitator for the growth of women-led small and medium-sized enterprises (SMEs). As the Minister of Gender Equality, Child Development and Family Welfare, Mrs Mireille Martin noted: 'It is imperative that we promote a level playing field, beginning with an efficient service delivery network where the contribution of women-led SMEs in the national economy is recognised' (2012). NWECC works closely with other enterprise support institutions, public and private, operating both locally and internationally.

### 11.4 Social institutions and discriminatory norms

**Formal law, policies and accountability:** Enterprise development does not take place in isolation but within the framework of formal laws and policies developed by both public and private sector organisations. While most of these policies and the institutions that govern them appear neutral in their implementation, many discriminate – indirectly and directly – against women. By establishing the NWECC through a formal Act, the Government of Mauritius has tried to promote women's entrepreneurship in a deliberate manner and provide an accountability framework against which progress can be measured. The 2008 National Gender Policy Framework also provides a mechanism under which government policies and programmes can be developed to widen opportunities for women in Mauritius and to facilitate the contribution of women in its economy (Ministry of Women's Rights 2008). Furthermore, the Employment Rights Act was amended in 2013 to ensure that men and women enjoy the same rights as workers and there is no discrimination based on gender.

**Access to resources and opportunity:** In order to successfully manage both the personal and professional spheres, female entrepreneurs need to be trained in a

range of skills relevant to their sector of operation, including time management and organisational skills. NWECC offers a range of training programmes to support women entrepreneurs in successfully managing their businesses. Many women entrepreneurs are often unaware of these opportunities. NWECC conducts the Women Talk Business Forum and other forms of awareness-raising sessions to reach women entrepreneurs and inform them of services offered.

Women are more likely to be poor in Mauritius, have few if any of their own assets, and have limited means of accessing such resources from others. Lack of financial resources and access to credit becomes a significant barrier for women to starting and scaling up a business. NWECC has recently created a fund that provides small loans to women entrepreneurs. The National Empowerment Foundation provides financial and technical support to women entrepreneurs who want to start their own businesses.

**Informal cultural norms and exclusionary practices:** The nature, form and scale of enterprise development is influenced and shaped by a range of traditionally embedded social, cultural, religious and economic factors. Women entrepreneurs have to deal with patriarchal values prevalent in Mauritian society and are faced with 'time poverty' because of having to balance the demands of running a business with multiple social roles. Mauritian female entrepreneurs have described how they have had to cope with societal prejudice in the process of starting a business. NWECC and the National Women's Council (NWC) have intensified campaigns to sensitise the public at large on gender issues in order to change social norms that preclude women from participating fully in the economy (UN Women 2014).

**Women's and men's consciousness:** Lack of business experience and limited education means that women often perceive themselves as being less capable of owning and leading businesses. Women lack social networks that help them build confidence and acquire business knowledge. The institutional spaces created by NWECC to engage female entrepreneurs have enabled the establishment of solidarity groups. NWECC has also enabled women to examine their own perceptions regarding societal roles and their contribution to the economy.

## 11.5 Strategies

NWECC uses multiple strategies to promote women's entrepreneurship in Mauritius:

**Business counselling** is offered on a continuous basis to both existing and potential female entrepreneurs, which covers setting up a business, permits and licences required, drafting of business plans and financial facilities available for entrepreneurs.

**Training programmes** are run to help female entrepreneurs enhance their managerial and technical skills. Examples include marketing, customer care, finance and costing, communication skills, serigraphy and advanced garment making, among others. Innovative courses through Social Entrepreneurship Projects have also been conducted since February 2014. Training programmes provided by NWECC support a range of sectors, including food processing, mushroom growing, hairdressing,

handicrafts (jute products), beauty care (soap making), fashion accessories (bag making) and food catering.

NWEC is also focussing on building leadership skills among women entrepreneurs. In 2008, in collaboration with Women in Networking and Soroptimist International, NWEC launched a capacity-building project with the objective of developing 30 women leaders per year to influence decision-making in all spheres, thereby creating a pool of 300 talented and competent women leaders over a period of ten years. As at December 2012, 215 women had graduated from the course (UN Women 2014).

**Networking through business fairs:** Members of NWEC are given the opportunity to create contacts and market their products through the organisation of occasional fairs around the island. Fairs are also organised in collaboration with private companies that are eager to contribute to the empowerment of women entrepreneurs.

**Women Talk Business forums:** Started by NWEC in July 2013, the forums consist of an interactive session between potential and existing female entrepreneurs and various institutions involved in the setting up of businesses. The idea is to provide accurate and up-to-date information on the services and facilities being offered. The forums are part of awareness-building campaigns that target potential women entrepreneurs with the aim of eventually increasing the number of women-owned businesses. They are also used to create a database of female entrepreneurs so that the potential and existing entrepreneurs are closely monitored and supported by NWEC.

**Access to funds:** NWEC has set up new loan schemes of up to MRs400,000 (US\$1,131) for women entrepreneurs who organise themselves into groups for loan purposes. NWEC was provided with additional funds in 2014 to support female entrepreneurship (Virahsawmy, Savripène and Mourade 2010).

**Support for expansion to international markets:** In most cases female entrepreneurs restrict themselves to domestic markets, which are less profitable, because they do not have the knowledge and networks required to access international markets. NWEC signed a Memorandum of Understanding with the Federation of National Associations of Women in Business in the Common Market for Eastern and Southern Africa (FEMCOM-COMESA) in 2014 with a view to supporting the exchange of information between female entrepreneurs in the region and to facilitate their access to international markets. In addition, the Memorandum aims to enhance capacity building for women's entrepreneurship development through the availability of technical resources and support to business incubators. Further, it will facilitate intra-COMESA trade and investment for female entrepreneurs and joint advocacy for mobilisation of resources aimed at the implementation of environmentally sustainable projects.

**Partnerships with the private sector:** NWEC has undertaken partnership with large private sector organisations, such as British American Insurance and Barclays Bank, to provide additional funding for its programmes.

**Awards for women entrepreneurs:** NWEC Awards have been instituted by the Government of Mauritius with the objective of providing women entrepreneurs with

an opportunity to obtain recognition for their creative and innovative endeavours (Government of Mauritius 2014).

## 11.6 Outcomes to date

NWEC's attempt to create jobs has been in line with increasing overall economic growth. From 2005 to 2013, the number of women registered by the council increased by 153 per cent from 1,900 to 4,815 (UN Women 2014).

By 2014, some 770 existing and potential female entrepreneurs had been reached through the seven Women Talk Business forums that had taken place. About 250 women attended the different follow-up sessions and 56 new members registered and set up their enterprises with NWEC (Government of Mauritius 2014). Feedback obtained from the participants about these forums has been positive, with women reporting increased awareness about different services and facilities available to them. Participants also noted that they gained knowledge and skills in terms of entrepreneurship development (Government of Mauritius 2014).

## 11.7 Lessons learned and the way forward

**Facilitating and fostering women's entrepreneurship is a long-term process:** Overall the number of women-owned SMEs remains low, although there has been a steady growth in the last decade. Women in Mauritius will continue to need support to fully realise the benefits from NWEC and become successful entrepreneurs.

**Lack of registration with NWEC:** It has been noted that although many women use the knowledge provided by the training programmes offered by the NWEC, most of them do not register with the council and thus do not benefit from the continued support and access to facilities offered. They cannot take advantage, therefore, of training provided by NWEC in key areas such as marketing and information technology. The reasons for low registration levels are not known, but a more concerted effort is needed to ensure that women entrepreneurs register with NWEC.

**Capacity-building programmes should focus both on soft and hard skills:** The experience of the NWEC suggests that there should be two distinct aspects to women's enterprise training programmes: the development of soft skills (i.e. communication skills, leadership building and networking) and the development of hard skills (i.e. strategy, finance/resource acquisition, sales and marketing, and knowledge of the sector).

**Engagement with non-entrepreneurs is required to encourage women to set up their own enterprises:** NWEC staff recognise that many women are not aware of the various facilities/services available to set up their own businesses. The Women Talk Business forums model has proven to be a good initiative for sensitising and encouraging women in entrepreneurship development. The forums have also enhanced collaboration among various institutions aiming to assist entrepreneurs.

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