



AFRICAN POLICY DIALOGUE MALI
Increasing Women Entrepreneurship in Mali



Concept Note

AFRICAN POLICY DIALOGUE:

STRENGTHENING RESPONSES TO INCREASE WOMEN'S ENTREPRENEURSHIP IN MALI



This work is the product of collaboration between the Netherlands-African Business Council (NABC), the Mali Investment Promotion Bureau (*Agence pour la Promotion des Investissements au Mali, API-MALI*), the Institute of Advanced Studies in Management (*Institut des Hautes Études de Management, IHEM*) Group, and the Global Institute for Women's Empowerment (GIWE) on an initiative from and thanks to the support of the INCLUDE platform. The opinions, findings, analyses, and conclusions formulated in this work are those of the authors and do not necessarily reflect the views or official policy of the organizations mentioned here.

African Policy Dialogue Mali

The African Policy Dialogue Mali (APD) is a collaborative policy research initiative between the Netherlands-African Business Council (NABC), the Mali Investment Promotion Bureau (*Agence pour la Promotion des Investissements au Mali, API-MALI*), and the Institute for Advanced Studies in Management (*Institut des Hautes Études de Management, IHEM*) Group. This African policy research initiative is expected to generate research evidence and ideas on how to overcome the obstacles to women's entrepreneurship and economic participation; it is also expected to generate ideas and develop tools to improve the women's entrepreneurial ecosystem in Mali.

Photo: Flacoro Diallo, Sao Kiss Picture

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1 • BACKGROUND

¹A large Sahelian country of 1.24 million km², with a population of about 19.66 million (in 2019), Mali is a low-income country with an undiversified economy vulnerable to commodity price fluctuations. Its high population growth (with a fertility rate of 5.88 children per woman in 2018²), coupled with climate change effects, threatens its agriculture and food security. The country has suffered instability and conflict since the 2012 military coup and the occupation of its northern part by armed groups. The United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA) has been operational since July 2014. Ibrahim Boubacar Keïta, president since 2013 and re-elected in 2018, was overthrown by a military coup on 18 August 2020, after several weeks of protests. Security in Mali remains fragile as armed groups continue to attack peacekeepers, the Malian army and civilians, mainly in the north and centre of the country.

In Mali, despite the demographic weight of women (51% of the population) and their significant contribution to wealth creation, gender inequalities persist and constitute one of the root causes of poverty, particularly in rural areas. In 2015, the vast majority of businesses run by women were in the informal sector (73.5%) of the economy and represented only 5% of entrepreneurs with a turnover of over 200 million (in 2009). Women do not benefit much from the many opportunities offered by the productive sectors in Mali, particularly the mining sector (one of the most important providers of employment and wealth). Numerous constraints hinder the development of women's private initiatives. Among these constraints are those having to do with the business environment, women's limited managerial skills, their limited access to information and technology, and their limited access to sources of financing and to promising markets.



¹: <https://www.banquemonddiale.org/fr/country/mali/overview>

²: <https://donnees.banquemonddiale.org/indicateur/SP.DYN.TFRT.IN>

1.1 POLICIES AND PROGRAMMES IMPLEMENTED

In November 2010, Mali adopted the National Gender Equality Policy (*Politique Nationale pour l'Égalité des Genres, PNG*). The policy and its action plan are based on seven guiding principles and six strategic orientations. The latter are:

1. Equal rights for women and men,
2. Human capital development (for women and men),
3. The integration of women into the productive circuits,
4. Equal participation of women and men in decision-making,
5. The establishment of egalitarian values and behaviour in Malian society, and
6. The inclusion of gender equality as a guiding principle of good governance.

The Ministry for the Promotion of Women, Children, and the Family (*MPFEF*) is responsible for the implementation of the *NGP*. The Gender and Development Thematic Group (*GT/GED*), which was set up by the donor community to promote dialogue between the Malian government, development partners, and civil society, has provided the necessary means for the development of the *PNG* and will support its implementation. It has also provided technical assistance for the development of the next generation of Mali's poverty-reduction umbrella programmes so as to ensure an effective implementation of gender mainstreaming in sectoral policies and programmes.

The Malian Government's introduction of Gender-Responsive Planning and Budgeting (*GRPB*) in its budget management is a significant step forward in public finance reform. Thus, the Gender Report annexed to the Finance Law is a major achievement in principle. It is a materialization of the country's commitment to the application, through the implementation of the *PNG*, of the international agreements it has ratified.

On the legal front, the Agricultural Orientation Law (*Loi d'orientation agricole, LOA*) 06-45 of 16 August 2006 is the only law that caters for women's empowerment. It aims to address the agricultural sector challenges so as to improve agricultural production. In addition, the government's recent, 2019-2023, Strategic Framework for Economic Recovery and Sustainable Development (*Cadre stratégique pour la relance économique et le développement durable, CREDD*) is an effort to foster inclusive economic development by overcoming structural challenges such as women's access to education, technology, land, and financial services.

At the international level, the Republic of Mali has subscribed to a number of international agreements, notably the Universal Declaration of Human Rights (*UDHR*) and the Convention on the Elimination of All Forms of Discrimination against Women (*CEDAW*), the 1995 Beijing Platform for Action at the International Women's Conference, the Sustainable Development Goals (*SDGs*), the 1981 African Charter on Human and Peoples' Rights, the Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa (the Maputo Protocol), the African Youth Charter (2006), and NEPAD.



Several projects and programmes support the women's entrepreneurship sector in Mali, notably the following:

- The Economic Development Fund (*Fonds de Développement Économique, FDE*), created by Decree No. 98-393/PM-RM of 8 December 1998; the fund is a manifestation of the government's commitment to set up a structure designed to administer the lines of credit, subsidies, and grants intended to finance the growth sectors of the economy;
- The Financial Sector Development Strategy Support and Monitoring Unit (*Unité d'Appui et de Suivi de la Stratégie de Développement du Secteur Financier, UAS/SDSF*); this unit is attached to the Ministry of Economy and Finance and was set up to support financial sector reforms;
- The Inclusive Financing of the Agricultural Sector (the *INCLUSIF* project); its objective is to promote a sustainable transformation of the agricultural sectors by improving financial inclusion and economic partnership among the players in the agricultural sector;
- The Mali Agricultural and Rural Finance (*Financement Agricole et Rural au Mali, FARM*) project; its objective is to increase the productivity of the agricultural sector and, thus, achieve food security;
- The project called "Promotion of the Financing of Agricultural Enterprises in Rural Areas (AgroFinance)"; its objective is to bridge the gap between the specific financial needs of the agricultural sector and the inadequate supply of financial services to this very sector;
- The programme called "Innovative Financing Scheme for Family Farming in Burkina Faso and Mali", also known as *Agri+* and implemented by the *SOS FAIM Luxembourg* organization; this is a programme whose objective is to build trust between the family farming sector and the financial sector;
- The Women's Empowerment and Children's Well-being Support Fund (*Fonds d'Appui à l'Autonomisation de la Femme et à l'Epanouissement de l'Enfant, FAFEE*); this is a fund dedicated to financing programmes that promote the enhancing of women's economic opportunities and their participation in political affairs at the local and national levels; it is also a fund equally dedicated to achieving the goals set for the promotion of the rights of the child;
- The Decentralized Financial Systems Refinancing Mechanism (*Mécanisme de Refinancement des Systèmes Financiers Décentralisés, MEREFSFD*); this mechanism was set up by Decree No 2018-0570/PM-RM of 16 July 2018 as a manifestation of the government's and its partners' commitment to provide the DFSs with financing lines, in addition to technical assistance, in order to enhance their capacity to finance their activities sustainably, particularly in rural areas ;
- The Finance for Food Security and Entrepreneurship Programme (*Programme Finance pour la Sécurité Alimentaire et l'entrepreneuriat, FFSWE*), which ended in 2019.

In recent years the Government of Mali has shown that women's entrepreneurship was its priority; it did so through several mechanisms that established frameworks for a collaboration between the government, its technical and financial partners and civil society, for the implementation of development programmes dedicated to women's empowerment. There are also many initiatives implemented by government bodies.

1.2 THE CURRENT SITUATION REGARDING GENDER EQUALITY AND WOMEN'S ENTREPRENEURSHIP

Despite the many policies and programmes implemented, and 10 years after the adoption of the National Gender Policy (NGP), little has been achieved in terms of advancing the NGP's six strategic orientations. In rural areas, for example, women have to divide their time between productive activities (including animal breeding) and domestic activities (e.g. housework). They tend to have fewer productive assets (tools and equipment) and less access to credit and land than men. A report on entrepreneurship in Mali, published by the RVO in 2019, showed the following:

1. Apart from women entrepreneurs from "elite" or privileged groups, the main challenge for most women wishing to run a business is the lack of access to finance, which stems from the lack of access to their own funds in their own names, and from the reluctance of banks to grant them loans. Indeed, due to the patriarchal organization of Malian society, most land, possessions, and capital remain in the hands of men.
2. Because Malian women are mainly involved in informal activities at the end of the value chain (processing food for sale on the street, in markets, etc.), their businesses are more artisanal than industrial, which reduces their value added and their impact on the economy.
3. Much fewer women than men register their businesses officially because they lack access to credit and lack financial independence, while the illiteracy rate is higher among women than among men.
4. Women show a lack of knowledge and confidence, which prevents potential women entrepreneurs from applying for funding.

Compared to the rest of Africa, Mali ranks exceptionally low in terms of gender equality: it currently ranks 52nd out of 54 African countries in the African Gender Equality Index, just ahead of Sudan and Somalia (Empowering African Women: An Agenda for Action, African Development Bank, 2019). The maternal mortality rate is close to 10% and food insecurity particularly affects women and children. The 2012 crisis has had an even greater impact on women than on men. Because of it, women have been largely displaced and remain in precarious living conditions. Gender-based violence is widespread throughout the country and women often do not have access to justice due to societal pressures and ignorance of their rights.

According to data from API-Mali's *Guichet Unique pour la Création des Entreprises* (One-stop-shop for business creation), women in Mali created only 14% of businesses, against 86% created by men over the period from 2017 to 2019³. After rising to 15% in 2017, the growth rate for women fell to 11% in 2018. In 2019, it rose again to its 2017 level of 15%.



³Table 2: Business creation from 2017 to 2019 - Women's entrepreneurship report in Mali - The state of affairs - NABC/API/IHEM

2. CHARACTERISTICS OF AND OBSTACLES TO WOMEN'S ENTREPRENEURSHIP IN MALI

In 2020, the Mali Investment Promotion Bureau (API-Mali) and the Netherlands-African Business Council (NABC) commissioned the Institute for Advanced Studies in Management (*Institut des Hautes Etudes de Management, IHEM*), based in Bamako, to conduct a study on women's entrepreneurship in Mali. The study is part of the "African Policy Dialogues" (APD) initiative set up by the INCLUDE platform. This is a network of policy actors, researchers and practitioners from civil society, the private sector and governments in Africa and the Netherlands, which aims to encourage the use of existing and new knowledge in policy making in Africa.

In Mali, the African Policy Dialogue theme is "Strengthening responses to increase women's entrepreneurship in Mali" through the creation of a platform for dialogue between the different stakeholders working towards improving women's entrepreneurship in the country: women economic operators and business leaders, policy makers and private sector leaders, technical and financial partners, researchers and practitioners.



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The main characteristics of women's entrepreneurship in Mali are the following:

1. In terms of their socio-cultural characteristics, survey data shows that Malian women entrepreneurs are not a homogeneous group. Owing to their different origins, their education level, their marital status, their socio-occupational category, their professional background and experience, their sources of inspiration and motivating factors, they are a highly heterogeneous group:

- The women entrepreneurs hail mainly from Bamako and the regions of Gao, Ségou, Sikasso and Koulikoro. Most of them are Muslim and come from one of the following five communities: Bambara, Songhai, Malinke, Peulh and Soninke. The majority of Malian women entrepreneurs are over 30 years old; indeed, the 50-59 age group is the most represented.
- Most of the Malian women entrepreneurs have an education level lower than a secondary school certificate, with many of them having had no formal education and, thus, are illiterate. The survey revealed that more than 25% of women entrepreneurs had a higher-education level, but very few of these had benefited from vocational and technical training adapted to their sector of activity.
- The vast majority of women are married and live in polygamous households, in which they have the status of first wife, with an average of 4 children in a household of 8 people. Their husbands are the main breadwinners in the household. However, more than a third of women entrepreneurs are also the main breadwinners in the household.
- Women in Mali venture into entrepreneurship mainly as a survival strategy: a detailed analysis of the results and the cumulative data from the survey show that the women's motivations are basically related to necessity/push factors (unemployment, need for flexibility to reconcile family and professional life). This suggests that Malian businesswomen are entrepreneurs "out of necessity" rather than entrepreneurs "out of opportunity". However, some women ventured into entrepreneurship to realize their passion and desire for financial empowerment. According to the survey, more than a third of the women entrepreneurs had sources of inspiration (their fathers and mothers, other relatives, their bosses at work, etc.). Finally, the survey showed that they were in their very first entrepreneurial experience, all sectors included. They benefited from marital and family support, both financial and moral.

The survey revealed that Malian women entrepreneurs' skills were acquired principally through informal, on-the-job learning and through "mother-daughter" transmission. Indeed, it revealed that they had acquired their skills through informal learning outside of any formal system that was part of national education and vocational training policies.

- The vast majority of women entrepreneurs have found ways of reconciling their family and professional lives. However, this reconciliation has a negative impact on the management of their businesses, as they devote less than 20 hours a week to their entrepreneurial activities, that is less than 4 hours a day, due to their heavy domestic and family responsibilities.



2. In terms of characteristics of women's businesses, the survey found that Malian women's businesses were characterized by the following:

- In general, women's businesses are underrepresented in the private sector (less than 10%). And when they are formalized, they are mainly of the sole proprietorship type. Female entrepreneurs are typically chairpersons or managing directors of their businesses/companies. The remuneration they receive is irregular, in the sense that their monthly salaries depend on the profits made.

There is an over-representation of micro and very small enterprises, with their number being higher in the informal sector than in the formal one.

- Women's businesses are dominant in the informal sector, particularly in agriculture, crafts, general trade and distribution, and catering.
- Women entrepreneurs are absent from certain sectors of activity: extractive industries (gold, mining, sand, and gravel), construction industry, multimedia, digital start-ups, electronic technology, and transport.
- Women entrepreneurs embark on their entrepreneurial adventure with a starting capital of less than CFAF 1 million. However, a difference needs to be made between sectors, with the informal sector needing less than CFAF 500,000 to start.
- Women entrepreneurs mobilize their start-up capital through self-financing or personal savings, tontines, and loans from parents and relatives (4%), due to the difficulties in accessing finance from financial institutions.

- Difficulties in obtaining adequate financing for starting and growing their businesses due to discrimination experienced by women entrepreneurs in the granting of credit and loans by banking and financial institutions.

- Women have a negative perception of banks, financial institutions, and the players in the decentralized financial system (micro-credit).
- Women face difficulties in the entrepreneurial process of accessing the resources necessary for the creation, start-up, management, and development of a business. Those are difficulties related to access to a support structure, access to training for the manager and her employees, access to capacity building, access to information, and access to capital and financing.
- Women have little awareness of funding mechanisms and support programmes for the private sector and women's entrepreneurship in particular.
- There is a very strong desire to formalize women's businesses in the informal sector, provided that they are effectively supported in the formalization process, in particular through assistance with administrative procedures and access to resources (training, information, financing, support services and business networks, etc.)
- There is a strong need for support in gender-specific and targeted ways, notably support in training (management, marketing, accounting, technical skills), support in business development and growth, and support in business management.

22 CHALLENGES OF WOMEN'S ENTREPRENEURSHIP IN MALI

- The challenge of access to finance: access to finance remains a major obstacle to women's entrepreneurship. The women surveyed reported facing many difficulties in meeting the requirements and expectations of the banking system and other financial institutions.
- Challenges arising from psychological factors having to do with women's motivation and lack of self-confidence: it is strongly rooted in the Malian collective consciousness that entrepreneurship is strictly for men. Thus, before embarking on the entrepreneurial adventure, many women doubt their skills, which has a negative impact on their motivation and confidence.
- The challenge of strengthening the capacities of the entrepreneurship-support structures: there is a lack of support for women entrepreneurs: support in business start-up, advice, training, mentoring, networking, incubators, etc.
- The challenge of an unstable institutional framework and scattered support actions: the instability of the government has a negative impact on the functioning of the MSME support structures. Ministerial departments are fragmented, and there is an overlap of services between different ministerial departments, which weakens the coherence of women's entrepreneurship policies.
- The challenge of the lack of research on women's entrepreneurship in Mali: currently, in Mali, there is little specific academic research on women's entrepreneurship in general. Existing research has focused on seven major themes that have been identified in the literature review for several decades: women's motivation, their performance, management style, training needs, work-family balance, networking, and financing (d'Andria and Gabarret, 2016; Carrier, Julien and Menveille, 2006). This lack of scientific research is an obstacle to knowledge and understanding of how women's entrepreneurship works.
- The challenge of externalizing project support through skill transfer: there is confusion and competition between the different support programmes due to the externalization of part of the project support system. On the one hand, in some of their components the projects are in control of their support processes, while, on the other hand, the same projects receive financial support within the framework of funds managed by government agencies such as APEJ. This situation creates confusion in the performance of the different structures in charge, in the sense that one of them may be wrongly considered to be responsible for success or failure. There is thus a need to clarify the roles and responsibilities of the projects when they also get support from government agencies.



3. OBJECTIVES OF THE AFRICAN POLICY DIALOGUE

The objective of this African Policy Dialogue (APD), whose theme is "Strengthening responses to increase women's entrepreneurship in Mali", is to create a platform for dialogue between stakeholders involved in women's entrepreneurship in Mali: women economic operators and women business leaders, policy makers and private sector leaders, technical and financial partners, researchers, and practitioners, in order to initiate a more favourable change for women entrepreneurs.

The APD aims to:

1. Generate evidence that highlights which initiatives (policies and programmes) aimed at increasing women's entrepreneurship in Mali are the most successful and why.
 2. Accelerate the uptake and adoption of best practices (through dialogue and dissemination of knowledge products), including policy development at the national level.
- ▶ Foster dialogue around the identified "best practices" and remaining challenges in order to promote women's entrepreneurship in Mali.
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