

Policy Brief

Empowering Women Entrepreneurs in Lesotho: Leveraging Technology and Generative AI for Inclusive Economic Transformation

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Executive Summary

Women entrepreneurs are vital to Lesotho's economic growth, comprising a significant portion of the workforce in informal and small-scale trade. Despite their contributions, systemic challenges persist, including limited financial access, safety risks, and constrained market opportunities. This policy brief presents actionable strategies for leveraging technology, with a focus on generative AI, to enable women entrepreneurs to overcome these barriers and innovate their business models. A collaborative effort among government, financial institutions, and the private sector is critical for creating a supportive ecosystem for women-led enterprises.

Context and Challenges

Economic Role of Women Entrepreneurs in Lesotho

Women lead approximately 70% of informal cross-border trade in Africa, contributing significantly to economic activity and household income. However, they often operate in environments characterized by inequitable access to resources, systemic biases, and structural inefficiencies that hinder their ability to scale operations.

Persistent Challenges **1.**

Financial Inclusion:

Access to credit and formal banking remains disproportionately limited for women, particularly in rural areas. In Lesotho we often joke about having banking access in HaNkhahle, a scenic place purely surrounded by mountains and dirt road. A place renowned though for producing high quality cannabis.

- Impact: This financial exclusion inhibits investment in growth and modernization of these women led businesses whose produce is internationally demanded.

2. Safety and Security:

Gender-based violence, corruption, and harassment, especially in cross-border trade, threaten the physical and psychological wellbeing of women entrepreneurs.

- Impact: These risks deter participation in broader economic activities and reduce productivity.

3. Knowledge Gaps:

Women often lack access to crucial information on trade regulations, business management, and digital tools.

- Impact: Limited knowledge reduces their competitiveness in dynamic markets.

4. Market Access:

Difficulty in reaching larger, more lucrative markets due to logistical and informational barriers.

- Impact: This constrains their ability to grow, diversify, and increase profitability.

Role of Technology in Addressing Barriers

Digital solutions provide scalable, innovative ways to address the systemic challenges faced by women entrepreneurs. Key technologies include mobile banking, safety applications, elearning platforms, and blockchain for market access.

Generative AI in Business Modeling

Generative AI presents a transformative opportunity for women entrepreneurs to innovate and scale their businesses effectively.

Strategic Applications:

1. Market Research and Forecasting:
AI algorithms analyze industry trends and consumer preferences to provide actionable insights. In a recent presentation to a forum of the same held by the WTO chair, there was a demonstration of how AI can help coagulate information into summaries and provide expert advice for businesswomen to consider in a fraction of the time.
2. Creative Design and Branding:
Tools like DALL-E generate professional-grade visuals for product catalogs and advertisements.
3. Process Automation:
Generative AI simplifies repetitive tasks, such as inventory tracking and customer support.
4. Scenario Planning for Risk Management:
AI simulates various business scenarios to assess risks and opportunities and this is crucial for entrepreneurs who usually need to make investment decisions with minimal capital or sizeable opportunity costs.
5. Customized Financial Projections:
AI-powered tools provide financial forecasting based on historical and real-time data.

Recommendations for Stakeholders

1. Government

- Invest in digital infrastructure and ensure affordable, high-speed internet access across urban and rural areas. We have already started with 5G towers, the focus should be to

extend 4G services countrywide with possibility for 5G upgrades on that infrastructure to enable the leapfrog capacity we possess.

- Simplify regulatory frameworks for digital and AI-based tools, ensuring inclusivity in adoption.
- Implement nationwide training programs to equip women with skills in AI and digital business tools.

2. Financial Institutions

- Develop AI-enhanced microfinance models to streamline loan application processes for women entrepreneurs.
- Partner with tech companies to expand mobile banking services tailored to women's needs.
- Offer targeted workshops to enhance women's understanding of digital financial systems.

3. Private Sector

- Build localized e-commerce platforms integrating generative AI for personalized user experiences.
- Partner with NGOs and academic institutions to create mentorship opportunities focused on AI-driven innovation.
- Invest in CSR programs addressing safety and accessibility challenges for women in trade.

Conclusion

Empowering women entrepreneurs in Lesotho through technology and generative AI is not just an economic imperative but a social necessity. By addressing systemic barriers and fostering innovation, stakeholders can unlock the full potential of women-led businesses, driving sustainable and inclusive growth for the nation.

"Generative AI, combined with targeted policies and collaborative action, is a game-changer for women entrepreneurs, enabling them to scale their ambitions and reshape Lesotho's economic landscape."

Call to Action

Stakeholders must prioritize a national forum on digital transformation, focusing on integrating generative AI into entrepreneurship. Establishing measurable goals and timelines will ensure accountability and sustained progress.