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**TRADE, POVERTY AND WOMEN’S ECONOMIC EMPOWERMENT
IN SUB-SAHARAN AFRICA**

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This paper focuses on women's economic empowerment in Sub-Saharan Africa in relation to poverty and trade. The first part presents the conceptual framework for women's economic empowerment used in the paper, and discusses the conceptual and methodological issues raised by the prevailing approaches to trade in Sub-Saharan Africa. The second part assesses the impact of trade¹ on the feminization of poverty at the micro, meso and macro level, as well as the impact of the gender disparities underlying poverty on trade. The third part highlights the gaps at policy and programme levels and offers recommendations for action in the context of the successive crises that have affected the neo-liberal economic system.

I. Methodological and Conceptual Issues

Conceptual framework for women's economic empowerment

This paper is based on two major premises: the first one is that just like empowerment, the feminization of poverty is a process as well as an outcome. It is a dynamic phenomenon that encompasses economic, political, social, cultural, environmental and security dimensions. This paper posits that the feminization of poverty in Africa has tended to worsen over time and is characterised by the high concentration of women among the poor people who do not earn enough from their work to lift themselves out of poverty (ILO, 2004).

The second premise is that economic empowerment can happen only when women are able to accumulate and sustain assets in relation to income, consumption and production. Economic empowerment involves movements and transitions out of poverty, with asset building thresholds in terms of physical, human, social, financial, and ecological capital. Thus, asset accumulation is a pre-condition for economic empowerment, and sustainable accumulation of assets is key to upward mobility beyond survival and towards economic empowerment.

Following from these premises, women's economic empowerment is intrinsically linked with the realization of their social, political, civil and cultural rights. As such, it is not separable from their empowerment in the social, political, environmental and cultural spheres. This implies that women's economic empowerment has not only to do with access to and command over economic resources, but also with access to public, social, human and ecological capital.

Whether or not trade can lead to women's economic empowerment is not only contingent on its effects on asset accumulation and on all the dimensions of poverty mentioned above. It also depends on its impact on gender inequalities —whether it reduces, increases or leaves them unchanged. As trade does not take place in a vacuum, but within legal, institutional and policy frameworks, women's economic empowerment cannot happen without equitable regulatory frameworks, legal protections, supportive domestic institutions and policies, accountable governance, democratic participation, social protection and security.

¹ Throughout the paper, trade refers to trade liberalization and all the issue areas normally treated in trade negotiations, including trade-related issues such as intellectual property rights, investment, competition policy, regulatory policies and so on. It covers domestic as well as international trade, including intra-regional and inter-regional cross-border trade, both formal and informal.

data – both quantitative and qualitative - that would provide information on trends are unavailable, especially baseline data from which trends in trade income as a contribution to total income in the transition out of poverty can be evaluated. Longitudinal studies are needed to characterize the dynamics of the movement out of poverty, or otherwise, among women traders, and to supplement the snapshots provided by existing statistics and case studies.

Furthermore, very few studies on gender equality and trade in Sub-Saharan Africa have focused on all the dimensions of poverty and empowerment, and on the intra-household impacts of trade on gender relations. For instance, some case studies found that women tend to have full control over the income brought in by their trade activities (UNIFEM, 2007), by contrast with income from other sources such as farming (Lyimo-Macha and Mdoe, 2002, cited in Whitehead n.d.)). However, studies on such significant changes in gender relations are still too few and cannot be considered as representative in the statistical sense. Only such gender-disaggregated information can allow for meaningful comparisons with the situation of men traders, and reveal how, and to which extent, these gender-specific processes contribute to women's economic empowerment.

These critical data and information gaps make it difficult to develop process and outcome

the picture appears to be more nuanced, with uneven and mixed results of this 'commodity boom' at the country level. In particular, "the recorded real per capita income growth rate (0.3 per cent during 1990-2002 and 3.0 per cent per cent in 2003-2007) is insufficient for Africa to make any significant progress towards achieving the MDGs" (UNECA, 2007).

Of note is the fact that exports from the 13 African oil-producing countries account for the bulk of this export growth, which means that it is not due to the diversification of African economies, where primary commodity exports remain the main source of growth. This leaves African countries particularly vulnerable to internal and external shocks, notably price fluctuations in global markets. In non-oil exporting countries, inflationary pressures due to the cumulative effects of rising oil and food prices have led to considerable increases in the price of basic consumer goods. This has harsh

generating activities in the informal sector (for example, selling of handicrafts, etc.), women tend to lose out in formal employment (Williams, 2004).

Moreover, there had been deleterious effects on women's access to land as a result of the development of tourism activities in countries like Tanzania, where it is leading to land shortage, conflicts and speculation (Chachage, 1999). In this context, it has been found that women are the main losers because of their weaker claims to land (Tsikata, 2003).

It has also been argued that market-based reforms under Structural Adjustment Programmes (SAPs) and trade liberalization in agriculture under the WTO Agreement on Agriculture have had detrimental impacts on domestic food production and poor smallholders, and hence contributed to the food crisis. "These policies have increased the concentration of agricultural markets in the hands of multinationals, undermined local and national economies, eroded the environment and damaged local food systems...(..)... The emphasis on cash crops for export rather than for domestic consumption has also meant changes in land use and land ownership patterns, and changes in who controls agricultural markets"(ActionAid, 2008:6).

These impacts have disproportionately affected women because of pre-existing gender inequalities in access to and control over productive assets such as land and credit, or storage and transport facilities, and because of their roles as both producers and managers of food security in households. As such, this kind of trade policies that promote cash crops and prioritise export-orientated growth work for the benefit of men who predominate in this area, and tend to further marginalize women (Randriamaro, 2006).

Household and Individual Level

The recent food crisis provides a dramatic illustration of the gendered impacts of trade liberalization on households' incomes and well-being in Sub-Saharan Africa, where agriculture and its associated sub-sectors are essential to growth and to reducing mass poverty and food insecurity (World Bank, 2007).

Households of domestic food producers and traders have been particularly affected by trade liberalization in agriculture, which has largely contributed to the recent food crisis, as mentioned above. They have been confronted with adverse terms of trade, and poor infrastructure and markets and rising costs of inputs have constrained their incomes. Their increased vulnerability is demonstrated by the statistical evidence on the higher incidence and severity of poverty in rural areas, which has led to an increase in non-farm activities, especially trade, as households strive to diversify their livelihoods under conditions of increasing economic stress.

As consumers, since women and girls are overrepresented among the poorest people who typically allocate a large share of their incomes to food (about 80 per cent), they are particularly affected by the food crisis. According to the FAO, even before the current crisis women made up 60 per cent of the chronically hungry (FAO 2006). Moreover, as managers of food security at household level, women are negatively affected by high food prices. They are also exposed to the indirect gender-differentiated effects of the macroeconomic context and policies resulting from the food crisis, namely the balance of payments problems and fiscal impacts.

As the major food producers in the region (about 80 per cent) (NEPAD 2003), women are particularly vulnerable to the volatility in food prices, in addition to their displacement from their share of local markets by imports of cheaper food products from international and regional sources (International Working Group on Gender and Trade, n.d.). In particular, many women in rural female-headed households are likely to see deterioration in already poor living conditions, because they rely more heavily on food production than other social groups.

At the household level, another lesson from case studies is that the trade-induced increases in women's personal income are often too small to significantly reduce the gender gap in income and to allow them to break out of poverty. Gender segmentation is a key feature of the trade sector—both formal and informal; women and men engage in very different kinds of trade activity.

Country case studies across Sub-Saharan Africa² show that women are mainly confined to low entry costs and low returns activities (Reardon, 1997; Baden, 1998; Bryceson, 1999; Dolan, 2002; UNIFEM, 2007). Most of the time, trade activities with high entry costs and high returns are a male preserve because women often lack capital³ and are confined to businesses that require little start-up capital and yield relatively low returns to labour. Thus, men's and women's location within the trade sector and their position in the value chains are significantly determined by the entry costs to trade, with a clear segmentation between male-dominated high entry costs-high return activities, and low entry costs-low returns activities where women preponderate.

This gender segmentation must be considered against the background of the data on the informal

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2007). While men's greater command over agricultural production is not new, this suggests that men's increased engagement in informal trading activities might be due to the fact that they have become more profitable,⁵ as has happened with other economic activities that used to be female-dominated.

The diversification into trade for the majority of poor women in Sub-Saharan Africa has mainly consisted of the addition of trading activities which produce little income and poor returns to labour. As noted by some authors, "although there are some women who are diversifying into better incomes, for the vast majority of rural women, diversification is more of a survival strategy than a route out of poverty." (Whitehead, nd). This sobering statement is corroborated by the findings of other recent studies, which point out that, for many women, the level of their trade income and their patterns of consumption do not allow for an accumulation of assets that can lift them out of poverty (UNIFEM, 2007).

Impact of gender inequality and the feminization of poverty on trade

The widespread expansion of trade as a means of diversification in women's livelihoods, in both rural and urban areas, provides evidence that poverty is a key push factor for their engagement in trade - especially informal trade -, which is part of poor people's survival strategies in the context of the uncertain and high risk environment resulting from trade liberalization and market-based reforms.

While poverty is partly a result of women's inability to diversify into higher return activities (Dolan, 2002), it has also been found that diversification - including into trade - is a survival strategy that may entrench poverty, because incomes earned are so poor that diversification "does not contribute to the achievement of sustainable livelihoods but to a cycle of impoverishment" (Hussein and Nelson, 1998, cited in Whitehead, nd), which constitute a major obstacle to increasing women's productivity and competitiveness in trade.

This suggests that microcredit and microfinance - both formal and informal -, which are the main forms of financing available to most women, are not likely to enable them to upgrade their activities and to develop the competitiveness of their businesses. While such micro-financing schemes have helped in the start-up stage of their activities, the available evidence shows that in most cases, they are not sufficient for women to move beyond small-scale trading activities.

Women's heavy burden of household responsibilities, as well as their weaker property rights to land and other resources, are likely to have contributed to the weak supply response of African agriculture to export opportunities in countries such as Burkina Faso, Tanzania and Zambia (Smith and Chavas, 1999; Tibaijuka, 1994; Wold, 1997, cited in Randriamaro 2006). Gender inequalities contribute significantly to the relatively poor trade performance in Sub-Saharan Africa and should be integrated into any analysis and policy action of trade performance in Sub-Saharan Africa.

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with trade liberalization, particularly in the absence of adjustment programmes or social safety nets.

A Developmental State

In order to redress these gender inequalities in the benefits from growth, it is imperative to move away from the widespread view that the State's role in trade should be limited to facilitate the free movement of goods and capital. This conceptual shift would focus on re-thinking the role of the State in a human rights framework, and on the development of a domestic agenda for policy actions to help ensure that trade and trade liberalization lead to women's economic empowerment.

To that end, such a developmental State would recognize and value women's pivotal role in trade, and not merely use their cheap labour as the basis of competitive advantage in international trade. It would uphold women's rights to participate in trade policy processes at all levels and to demand accountability of governments and donors alike.

IV. Conclusion: Towards An Alternative Trade and Development Paradigm

Gender-responsive Macroeconomic Policies

Gender-responsive macroeconomic policies are also required to ensure that trade supports women's economic empowerment. In many instances, there are biases against poor women small-scale traders in monetary and fiscal policies. These biases are compounded by their lack of access to financial capital and information. For instance, it has been found that most women lack sufficient capital to enable them to enjoy the tariff exemptions of various products, and that they have very little or no information on taxation policies and how they operate (UNIFEM, 2007).

It is also important to recognize that regulation in trade as well as in other sectors is key to women's economic empowerment, and to carefully consider the kind of regulation that can best serve women's strategic interests and economic empowerment, in the face of the evident failure of the highly de-regulated neo-liberal regime. More attention should be paid to the significance of appropriate market regulation mechanisms, and to the key role of traders organizations in terms of trading networks and bargaining power within markets.

There is also an urgent need to address all the implications of the concentration of poor women's activities in the unrecorded and unregulated informal trade sector. Beyond the overemphasis on prescriptions about how to formalize their businesses, promoting their empowerment means restoring their dignity. The first step in this direction should be a paradigmatic change in the attitude of actors in public institutions, who must understand that informal trade is not a criminal activity, and that women informal small-scale traders "should not be seen as marginalized women in need of special or temporary programmes, but as full-fledged citizens with entitlements to respect and adequate support from public institutions" (UNIFEM, 2007).

Renewed Global Trade Regime and Economic Governance

Although increased openness has provided new income opportunities for some producers and traders, exposure to world markets has also brought about increased vulnerability. In Sub-Saharan Africa,

These policies should be supplemented with the following actions at the sectoral and programmatic levels:

- Ø In trade policy making and implementation, special attention should be paid to women's multiple roles and unpaid work in production and social reproduction.
- Ø A coherent and contextualized framework for engendering trade and trade-related programmes should be developed at national level, including transparent, inclusive and gender-sensitive processes for the integration of trade into the PRSPs.
- Ø A trade monitoring framework based on the international conventions on development and women's human rights, especially the Convention on the Elimination of All Forms of Discrimination against Women and the African Protocol on women's rights, should be developed and adopted. This involves the systematic collection of sex-disaggregated data and the production of gender-sensitive statistics and indicators.
- Ø Trade diagnostics, studies and assessments should include gender analysis and pay special attention to the needs of women's small and medium enterprises in both the formal and informal sector, as well as to the sectors that might be adversely impacted by trade reforms.
- Ø Programmes and projects targeting women small scale traders need to question the actual results of micro-credit and micro-finance schemes, which have proved to be most effective in women's survival strategies. As such, they can be seen as more efficient in terms of social protection than economic empowerment.
- Ø In their partnerships with donors, Governments should (i) provide for people-centred and gender-sensitive flanking measures to deal with the negative effects that might result from the implementation of trade agreements; (ii) exercise their sovereign right to demand for independent, inclusive and transparent monitoring of the implementation of trade agreements, and for the integration of social, gender equality, environmental and poverty impacts in their evaluation.

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