

# Identifying, assessing and monitoring the impact of trade barriers on women-owned businesses in Africa

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**DNA Economics**  
Making economic sense of common problems



**the dtic**

Department:  
Trade, Industry and Competition  
**REPUBLIC OF SOUTH AFRICA**



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**AFRICAN-WIB**  
WOMEN IN BUSINESS

# Agenda

- Introduction
- Engaging with women traders
- Findings from the surveys
- Lessons from the focus groups
- Developing a monitoring and reporting tool
- Recommendations

# Introduction

The African Continental Free Trade Area (AfCFTA) aims to create a single market for goods and services across Africa **BUT impact of deeper regional integration on marginalised groups, including women-owned businesses, is uncertain**

- *Women contribute significantly to entrepreneurship, employment generation, and poverty alleviation*
- *Limited access to finance, information asymmetries, social discrimination, inadequate support from government + disproportionately large challenges in getting their goods to and across regional borders = **hinder ability to start and grow businesses***
- *Limiting women-owned enterprises in taking advantage of opportunities AfCFTA presents?*

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***DNA Economics conducted a study on the barriers confronting women traders in Africa - implemented by DNA Economics and A-WIB & supported by the Prosper Africa initiative***

*Prosper Africa is a Presidential-level national security initiative aimed at strengthening the strategic and economic partnership between the U.S. and Africa by catalyzing transformative two-way trade and investment flows. To learn more, visit [www.prosperafrica.gov](http://www.prosperafrica.gov)*

# Engaging with women traders

- Fieldwork – **survey, focus group discussions and case studies**

**Aim:** Identify, collect data on, and assess existing barriers to intra-regional trade

- Multi-method approach - nuanced understanding of complexities associated with the challenges faced by women
- Specific emphasis on understanding impacts and costs borne by women traders
  - Electronic survey disseminated through A-WIB database (English, French, and Portuguese)
  - 359 responses from women-owned businesses across 18 African countries (largely smaller enterprises)
  - FGDs and follow-up case studies in 11 countries validated and enriched survey results
- **Participants eager to share experiences and learn from one another** – emphasizing the importance of regional business networks in providing information, supporting trade, and advocating for change

# Findings from the survey

## Moving goods and services between countries

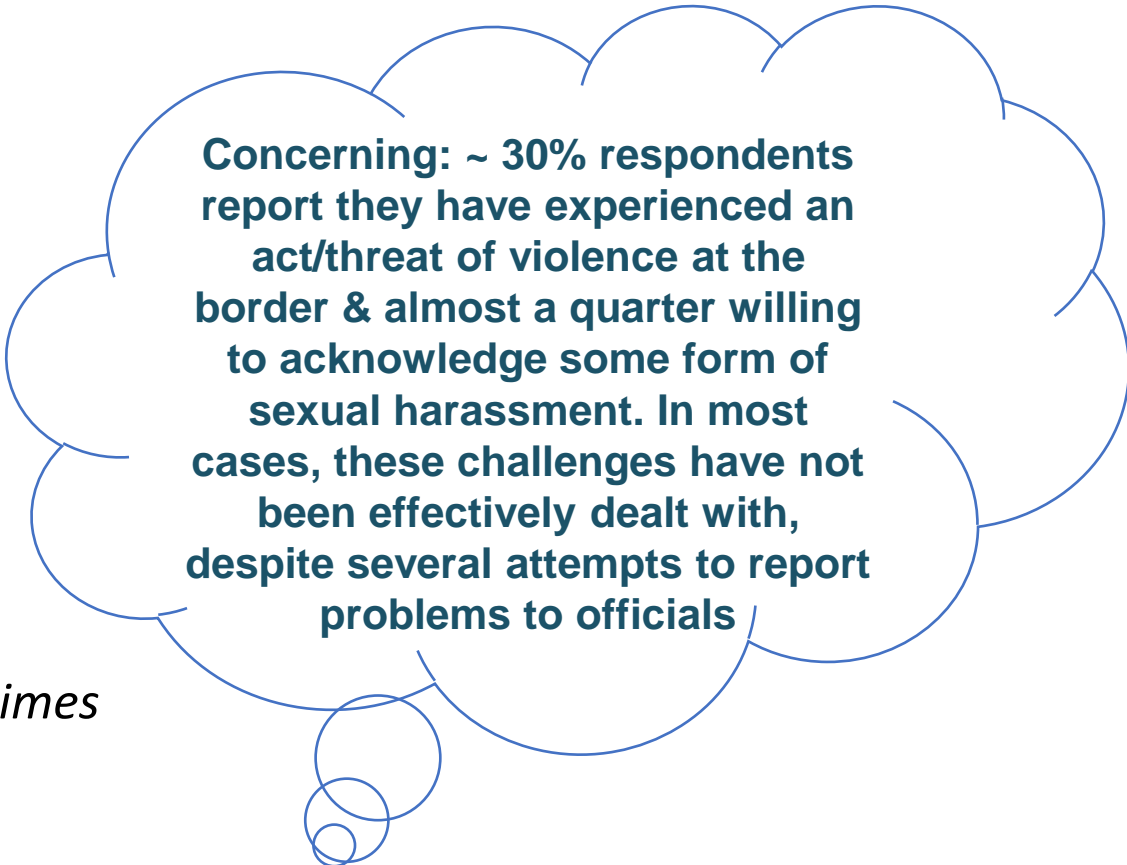
*Main factors - significant challenge for largest proportion of respondents (60% or more):*

- *Lack of government support programs*
- *Transportation & shipping costs*
- *Obtaining trade finance or trade insurance*
- *Exchange rate volatility*

## At point of entry or border posts

*Most prevalent obstacles:*

- *bribery and corruption*
- *cumbersome customs processes,*
- *tariffs, and import duties*
- *Border delays, closures, and extended waiting times*



**Concerning: ~ 30% respondents report they have experienced an act/threat of violence at the border & almost a quarter willing to acknowledge some form of sexual harassment. In most cases, these challenges have not been effectively dealt with, despite several attempts to report problems to officials**

# Findings from the survey (cont. ...)

## Main challenges in home countries

- *Accessing credit or a business loan*
- *Obtaining a work permit or visa to operate in other African countries*

**Gender discrimination was reported as a challenge for 46% of the respondents, but the extent to which this affects women-owned businesses differs markedly by country**

## Awareness of existing Free Trade Agreements

- *Relatively good – especially the East African Community (EAC), the Central African Economic and Monetary Community (CEMAC), the Common Market for Eastern and Southern Africa (COMESA) and SADC*
- *Although - use of tariff preferences within most of these FTAs is generally low*
- *Looking specifically at the AfCFTA, half of the respondents are aware that their country is a participant, but companies reported challenges in finding the necessary documentation and information on rules of origin requirements and the AfCFTA more generally*

# Lessons from the focus groups

- Confirmed that women traders are affected by a wide variety of non-tariff barriers, as well as severe structural, social and cultural challenges -> **hinder ability to participate in trade**
- Highlight need for more **active monitoring and advocacy work** in this area

## Key lessons emerging from the focus groups ....

1. Business networks and associations
2. Information and training
3. Financing
4. Government support
5. Interests and experiences differ
6. Prevalence of abuse and harassment



# Developing a monitoring and reporting tool

- Implementation of the AfCFTA will alleviate challenges, **but it may also introduce additional risks and hurdles**
- Project team developed an Excel-based monitoring tool and measurement index

• Track the AfCFTA's progress in alleviating priority trade barriers confronted by women in business.

**Track**



• Evaluate the AfCFTA's impact on regional trade.

**Evaluate**



• Report on challenges faced by women in business.

**Report**



- Used by:

- *Policymakers - identify trends and persistent challenges affecting women in business*
- *Women in business and their representatives - advocating for policy change.*
- *AfCFTA Secretariat and other Regional Economic Communities (RECs) – help identify areas that need more effort in a bid to reduce trade barriers*

# Recommendations

- Insights gained highlight the need for well-targeted training, financial support, access to information, and protection for women traders in Africa
  - An effective monitoring and/or reporting mechanism would help identify and communicate challenges and track the progress that is made in alleviating priority barriers
  - Lessons on how a monitoring and reporting tool can and should be used:
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## **The project, and specifically the monitoring and reporting tool, should:**

- *Extend beyond A-WIB country network - include as many African countries as possible*
- *Include as many women traders as possible - more distant and rural areas*
- *Ensure current and future findings are communicated back to stakeholders with detailed planning as to how the challenges identified will be addressed (in various languages)*
- *Ensure that tool's dashboard and findings are accessible to women traders and other stakeholders through digital platforms*

# Recommendations (cont. ...)

## **African business associations should:**

- *Communicate directly with women traders and other stakeholders*
- *Provide tailored and industry-related education and guidance for women-owned businesses*
- *Provide capacity-building activities - financial literacy, market access, product development, networking, trade policy-related training*
- *Ensure women traders in rural areas are included in capacity-building and knowledge sharing activities*
- *Collectively advocate & lobby for women traders' interest + active participation in AfCFTA structures*

## **Donors working on trade in Africa should support women traders by:**

- *Assisting countries in strengthening domestic licensing and standards regimes*
- *Specific county and regional initiatives should be evidence- and needs-based*
- *Exploring ways to address some of the deeper structural and societal challenges – e.g., harassment*
- *Women traders face a dynamic policy and business environment - support to be adaptive and flexible*
- *Regularly engage with and support business associations - ensure relevant and sustainable support*
- *Providing specialized training on AfCFTA, and how women traders can benefit from what it has to offer*

# Trade & Industrial Policy Strategies

## Supporting policy development through research and dialogue

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