

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT
AND
UNITED NATIONS DEVELOPMENT PROGRAMME

MAINSTREAMING GENDER INTO TRADE AND
DEVELOPMENT STRATEGIES:

THE CASE OF EAST AFRICA

TRADE NEGOTIATIONS AND AFRICA SERIES: No. 5



UNITED NATIONS
New York and Geneva, 2008

Note

- This report was prepared by Jacqueline Maleko, Ministry of Industry, Trade and Marketing, United Republic of Tanzania, within the framework of the United Nations Development Programme (UNDP)-financed project on Trade Capacity Development for Africa and the Joint (International Trade Centre (ITC)/UNCTAD/World Trade Organization (WTO)) Integrated Technical Assistance Programme (JITAP) to Selected Least Developed and Other African Countries.
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UNCTAD/DITC/TNCD/2007/14

UNITED NATIONS PUBLICATION

ISSN 1728-3256

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Abstract

This study analyses the extent to which national trade policies of the East African countries of Kenya, Uganda and the United Republic of Tanzania factor in gender challenges, with particular emphasis on women involved in agriculture and the informal sector. This includes review of the gender dimension of economic policy reforms and international trade. The aim is to examine the extent to which women's issues and challenges are mainstreamed in trade, development and poverty reduction strategies to meet, among other developmental targets, the Millennium Development Goals, particularly that of halving poverty by 2015.

Abbreviations

AGOA	African Growth Opportunity Act
BEST	Business Environment Strengthening for (the United Republic of) Tanzania
BDS	business development service
COMESA	Common Market for Eastern and Southern Africa
CBO	community-based organizations
CSO	civil society organizations
DDA	Doha Development Agenda
EOTF	Equal Opportunity for All Trust Fund
EPA	economic partnership agreement
EAC	East African Community
EBA	Everything But Arms
ERP	Economic Reform Programme
HIV/AIDS	Human Immunodeficiency Syndrome/Acquired Immune Deficiency Syndrome
GDP	gross domestic product
ILO	International Labour Organization
IMF	International Monetary Fund
JITAP	Joint Integrated Technical Assistance Programme
LDC	least developed country
MTS	multilateral trading system
MSE	micro and small enterprises
MSME	micro, small and medium-sized enterprises
MDG	Millennium Development Goals
NGO	non-governmental organization
ODA	official development assistance
OGL	open general license
OWIT	Organization of Women in Trade
RTA	regional trading arrangement
SAP	structural adjustment programme
SME	small and medium-size enterprise
SADC	Southern Africa Development Community
SAP	structural adjustment programmes
SIDO	Small Investment Development Organization
WED	Women Entrepreneurship Development
WTO	World Trade Organization

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1. Introduction

This study analyses the extent to which national trade policies of the East African countries of Kenya, Uganda and the United Republic of Tanzania factor in gender challenges, with particular emphasis given to women involved in agriculture and the informal sector. This includes review of the gender dimension of economic policy reforms and international trade. The aim is to examine the extent to which women's issues and challenges are mainstreamed in trade, development and poverty reduction strategies to meet, among other developmental targets, the Millennium Development Goals, particularly that of halving poverty by 2015. As a disadvantaged group in East Africa, women are a normal focus in view of their unique role as a major productive force severely constrained by limitations in their accessibility to key production assets including land, credit, skills and education.¹

Gender-sensitive trade and investment policies are important in providing a level playing field for effective participation of women in domestic and international trade, including access to the productive assets. The evolution of economic reforms – particularly structural adjustment programmes (SAPs), which paved the way for globalization and trade liberalization in various sectors, including agriculture and the informal sectors in which women are key players – provides the basis of analysis and the extent to which policymakers and actors are gender aware.

The study further underscores the East African trade policies and the opportunities emanating from multilateral negotiations and regional trade with respect to market access, access to technology and information, and technical assistance to explore the gender impact. Examples of case studies, including best practices and role models in agriculture and informal sectors, are used to give practical challenges and constraints, including the negative impact of economic reforms on women entrepreneurs and farmers, and strategies used to mitigate the negative impact. Likewise, interventions through non-governmental organizations (NGOs), Government and development partners, through programmes on women, are highlighted, including the gender asymmetry associated with the implementation of trade policy. Recommendations for addressing constraints facing women – including gender strategies and action programmes that should be implemented at national, regional and international level – conclude the study.

1.1 Background information and context

East African countries, like the rest of sub-Saharan Africa, plunged into a number of economic crises since the 1970s, stagnating socio-economic progress of these States, resulting in (a) deterioration in terms of trade; (b) a critical shortage of foreign exchange; (c) a fall in the production of food and manufactured goods; (d) dislocation of the transport and communication systems; and (e) a heavy reduction of imports and severe cuts in social spending.

This condition was caused by both internal and external factors. External factors include worldwide recession, significant rises in prices of oil products (which constitute significant imports) and a decline in prices of commodities exportable by African countries, hence poor terms of trade and unfavorable balance of payments. Internal factors include draught, social and political instability leading to civil strife and lack of good governance – mainly reflected through poor economic management. In responding to these economic crises the East African countries introduced a series of economic reforms through SAPs since the mid-1980s, leading to trade and

¹ United Republic of Tanzania National Trade Policy background papers; gender page 95 Ministry of Industry and Trade, 2003.

market liberalization and globalization. The implementation of the SAPs was championed by international agencies, including the International Monetary Fund (IMF), the World Bank and other multilateral and bilateral organizations. SAPs in East African countries have resulted in both positive and negative impacts. Available evidence suggests that the effects of SAPs hit women relatively harder than men.

1.2 Report layout

The report is organized into four parts. Chapter one introduces the study. Chapter two, which is the core of this paper, presents findings from a review of literature on SAPs in East Africa and the impact on women. Included is analysis of challenges and opportunities from regional and multilateral trade negotiations; highlights of trade policy implementation problems and proposed solutions are also covered. Chapter three presents information on initiatives to mitigate the impact of SAPs on poverty through the implementation of the Millennium Development Goals (MDGs) and the national poverty reduction strategies. This chapter synthesizes the ultimate aim of the findings. Chapter four presents the conclusion and recommendations included in this section and strategies to address obstacles, as well as activities at regional and international levels for developing and strengthening capacities of women in decision making and entrepreneurship.

2. Situational analysis/findings

2.1 Introduction

This chapter presents findings from the review of literature on the impact of SAPs, particularly trade liberalization in East Africa, with emphasis on women's role in agriculture and the informal sector. The main objective is to explore how opportunities offered by multilateral trade and current trade negotiations under the Doha Round of trade negotiations enable women to recognize their full potential in global trade while appreciating the economic reforms as a means to development and economic growth.

The chapter further underscores constraints facing women brought about by the economic reforms with the purpose of identifying gender gaps and getting information that will assist in mainstreaming gender in trade and development strategies. A brief analysis of implementation of economic reforms and SAPs in each country is provided, including analyses of the implementation of key policy, regulatory and institutional reforms in Eastern African countries. Reforms on macroeconomic management, trade, price and market controls are magnified to support the impact on the selected areas.

Observations on poverty prevalence and the MDGs are covered to illustrate the depth of challenges experienced in alleviating poverty caused by the effects of globalization on national trade policy instruments. Special reference is made on detail analysis of the agriculture and informal sector, using case studies of women to illustrate both the impacts and the reaction of women to counter the negative effects. Examples of selected role models of successful women are used to demonstrate best practices and ability of women to address the negative effects of SAPs. This chapter is organized as follows:

Section 2.2 provides the conceptual framework. Included in this section are definitions of SAP, trade liberalization, globalization, gender and informal sector. Section 2.3 provides an overview of SAP in the East African states of the United Republic of Tanzania, Kenya and Uganda, particularly those related to trade and agriculture. Section 2.4 provides information on implementation of trade

liberalization and its outcomes within East Africa, with a focus on the informal and agriculture sectors. Included in this section are case studies of women in the informal and agriculture sector. Each case study provides challenges and opportunities emanating from multilateral trade and impact on gender, premises and challenges of trade policies, poverty in East Africa and the MDGs. Section 2.5 provides conclusion and recommendations.

2.2 Conceptual framework

Four concepts that are constantly referred into the paper will be discussed. These include;

- (a) **SAPs:** World Bank/IMF economic reforms model introduced in mostly least developed countries (LDCs) to address the economic crises which hit sub-Saharan Africa and other countries during the 1970s and early 1980s. The objective was foremost to stabilize the national economies from the global shocks of the 1970s that led to recession and unemployment, rising debts, inflation, declining commodity prices and balance-of-payments deficits;
- (b) **Trade liberalization:** Trade liberalization refers to lifting of restrictions on trade through removal of non-tariff barriers and reduction of tariffs. This includes opening up of economies to trade, markets and merging into large more accessible markets;
- (c) **Globalization:** Economic globalization refers to integration of national economies through trade, investment and financial institutions facilitated by information communication and technological advancement. Firms operate beyond the confines of national borders, where goods, factors of production and financial assets flow practically freely. It is a systematic reduction of global trade barriers, allowing global firms to break up the production process and to locate its various components in different markets around the world;
- (d) **Informal sector/microenterprise:** According to the International Labour Organization (ILO), the informal sector is made up of very small-scale units producing and distributing goods and services, and owned and operated by largely independent, self-employed producers employing family labour or a few hired workers and apprentices. Informal sector enterprises are extremely diverse and are to be found in great numbers in all the main economic sectors, most of all in trade and services but also in manufacturing, construction, transport and urban agriculture. They operate with very little or no capital, and use a low level of technology and skills. Employment in these enterprises is highly unstable and incomes are generally very low and irregular. Informal sector per se does not have business licenses except for a few micro enterprises;
- (e) **What is Gender?** It is argued that the concept of gender was developed by feminist scholars to create space to situate the sex variable in a wider socio-economic and cultural context. Likewise, according to Nicholson, the concept has been used in two ways. Firstly, it is used a contrasting term to sex, that is to depict what is socially constructed as opposed to what is biologically given. In this perspective, gender and sex are treated as distinct and gender is thought to refer to personality traits and behavior in distinction from the body. Secondly, the term has increasingly been used to refer to any social construction that has to do with male–female differences.

In all the three East African countries, the status of women is characterized by unequal power and social relations, unequal access to political power, heavy work load and inequality before the law. The panache of ideology, predominance of traditions, customs and beliefs is responsible for the gender inequalities. In most cultures, men are considered to be superior to and more intelligent than

women. Indeed, it is these gender relations, which create and propel differences among men and women.

2.3 An overview of SAPs in East Africa

East African countries, like the rest of sub-Saharan Africa, have been implementing SAPs since the 1980s. They were introduced to address the economic crises, which had hit these countries since the mid-1970s. These economic crises were caused by both internal and external factors. The internal factors include poor climatic conditions, drought and deteriorating terms of trade of agriculture primary exports. The external factors include escalating oil prices and civil stifle in the case of some countries. As a result of the crises, the economic growth of these countries stagnated, resulting in further deterioration in terms of trade, critical shortage of foreign exchange, fall in the production of food and manufactured goods, dislocation of the transport and communication systems, heavy reduction of imports, and severe cuts in social spending. The East African Governments responded to the economic crises through a succession of economic policies that were championed by the IMF and World Bank. The most predominant were the SAPs, which paved the way for African countries to fall in line with general policies of globalization.

2.3.1 SAPs in the United Republic of Tanzania

The United Republic of Tanzania started implementing SAPs in 1982 in five phases. The National Economic Survival Programme, aimed at reviving agriculture, was implemented by the Government after disagreement with IMF. The Structural Adjustment Programme (1987–1989), the Economic Recovery Programme, and the Economic and Social Action Programme were also instituted. The reforms led to trade and market liberalization policies by partial devaluation of the United Republic of Tanzania shilling, partial liberalization of internal and external trade, and partial liberalization of agriculture. A national agricultural policy was formulated which, for the first time, allowed private ownership of land. Emphasis was put on further reduction in government spending and rationalization of foreign exchange use. The programmes also introduced liberalization of the financial sector through policies allowing private banking, decontrolling foreign exchange transactions and restructuring parastatal laws to allow private ownership. Crop marketing liberalization was completed. The programmes had three objectives: to raise gross domestic product (GDP) growth rate to at least 5 per cent per annum, to reduce the rate of inflation to below 10 per cent and to restore internal and external trade balances.²

2.3.2 SAPs in Uganda

Uganda began participating in an Economic Recovery Programme (ERP) in 1987. It had four general objectives: (a) restoration of incentives in order to encourage growth, investment, employment and exports; (b) promotion and diversification of trade, with particular emphasis on exports enhancement; (c) removal of bureaucratic constraints and divestiture of ailing public enterprises so as to enhance sustainable economic growth and development through the private sector; and (d) liberalization of trade at all levels. To meet some of these objectives, in 1987 Uganda privatized government business holdings including commodity marketing boards, laid off thousands of civil service employees working in these businesses, and established Uganda Investment Promotion to promote investments. In line with the privatization effort, President Yoweri Museveni invited the Asian community evicted by Idi Amin in 1972 back to Uganda to reinvest and reclaim their businesses and private property.

² Mtatifikolo (2001). University of Dar es Salaam Structural Adjustment Programmes in the United Republic of Tanzania:19.

2.3.3 SAPs in Kenya

Kenya introduced structural adjustment measures towards the end of 1980 and this involved measures such as the decontrol of prices in the economy, currency devaluation and removal of subsidies. The Government of Kenya removed subsidies on fertilizers, transport and fuels. Those on education, health care and other social services were lowered or replaced with user charges under cost sharing. Later, devaluation was followed by floating of the Kenya shilling. This was accompanied by the removal of foreign exchange controls, import liberalization and restrictions.

2.3.4 SAPs in East Africa

In East African countries, the SAP package contained the following: (a) market liberalization programmes; (b) lifting of import and export restrictions; (c) elimination of price controls; (d) decrease of tariffs; (d) decontrol of crops from marketing boards; and (e) removal of subsidies. This was followed by the opening of the local market to international competition and investment, limited capacity of the State to protect domestic industries and the allocation of foreign currency to the purchase of essential imports. Moreover, SAPs required countries to (a) decrease domestic consumption and shift scarce resources into production of cash crops for export; and (b) reduce government expenditure, resulting in cuts in spending on health and education. Also, State-owned companies were privatized and currency devalued partly to make exports less expensive. SAPs managed to put business in the hands of the private sector as an engine for economic growth.

2.3.5 General impact of SAPS in East Africa

SAPs initially yielded some significant benefits in East Africa. Fiscal deficits have been reduced, inflation moderated and the exchange rates in many cases have become more realistic. Moreover, prices of farm products became more attractive, and the liberalization of agricultural markets improved incentives. There was progress made in some sectors, but these reforms have not been uniform across sectors and among countries. To be more specific, some studies show that many SAP measures benefited large-scale producers and had commercial interest in terms of producer incentives and support systems. Shops and markets were filled with imported manufactured goods and there was a rapid growth of services available in the private sector as a result of liberalization. Initially, all the East Africa countries registered increased productivity and exports output of local industry increased, including agro-industry, after getting access to imported raw material and equipment. On the other hand, there was a tremendous growth of the informal sector in both rural and urban centers in the form of cottage industries, shopkeepers and vendors.³

In the United Republic of Tanzania, the shilling was devalued from Tshs 15.3 to the United States dollar in 1984, to more than Tshs 400 in 1993. Currently, it has reached over Tshs 1,100 to one dollar. As a result, costs have been increasing, reducing wages and incomes for working people. This means, women and children had to work more in market activities to bridge the family income gap. At the same time the gap between the rich and the poor widened creating a class of wealth individuals and very poor. Devaluation made imported products expensive. For instance, Mwalimu Nyerere stated that, prior to SAPs, one ton of coffee was enough to buy one tractor but, after devaluation, 10 tons of coffee were required to purchase the same tractor.

³ Ngeno N (1994). University of Nairobi. Comparative analysis of economic reform and structural adjustment programmes in Eastern Africa with emphasis on trade policies. July.

The Open General Licensing (OGL) system was introduced in 1993 in Uganda; however, imports of beer, soft drinks and cigarettes were banned for protection. In Kenya, quantitative restrictions and import licensing were abolished in 1993, except for a short negative list. Likewise, in the United Republic of Tanzania, the OGL system with a negative list was further liberalized in 1991/92, with only a few goods controlled for health and security left on the list. The protection lists in these countries were to a large extent lifted after the appearance of WTO in 1995.⁴

Market liberalization in Uganda was implemented through structural reforms, especially in the agriculture sector, in 1993/94. In the United Republic of Tanzania the same with supply of farm inputs liberalized fertilizer subsidy was reduced by more than 40 per cent in 1992/93 and 20 per cent in 1993/94. Kenya removed monopoly of national trading companies by 1993 and the price of maize, the main staple food, was liberalized by 1994.⁵

The removal of subsidies on agriculture decreased use of manure and pesticide, hence the decline in production. Commodity prices declined, women shifted their labour force from production of food crops to cash crops, devastating food security. The removal of restrictions on trade and price decontrols led to a deluge of imported goods and services, the decline on domestic industry, and escalating prices for consumer and producer goods. Likewise, real income wages and crop incomes declined as a result of increased costs of living. A study in the United Republic of Tanzania revealed that, while farmers from the rich groups of households somehow managed to absorb the price shocks and continued using the fertilizers despite the increase in prices, farmers from the middle and poor groups of households, mainly women, reduced inputs. They bought fertilizers in smaller quantities (2kg–3kg) at a time, or ceased using them completely. Households with livestock increased the application of manures in their farms.

Although producer prices for selected food crops increased significantly during the implementation of SAP (78 per cent, 98 per cent and 81 per cent for maize, rice and wheat, respectively), market liberalization has unilaterally led to a drop in productivity and increased food insecurity, especially so among the lower echelons of the middle and poor groups of households. Agricultural revenue per cultivated hectare in a maize-dependent village had declined by 22 per cent between 1979 and 1992. Generally, market liberalization had led to a decline of 71 per cent of the annual mean household income from agriculture. Meanwhile, continuous devaluation of the shilling, opening up of crop marketing to private operators and rising inflation rates led to a fall in maize prices in real terms.⁶

2.3.6 Poverty prevalence in East Africa and the gender impact

Despite some positive developments brought about by SAPs and trade liberalization, poverty remains widespread in the East African countries. Data shows that poverty is on the rise in Africa and that of women in particular is widespread.⁷ Gender inequality in access to and control of a wide range of economic, human, and social capital assets and resources remains pervasive in sub-Saharan Africa, and is a core dimension of poverty in the region. Understanding the nature of these disparities, and acting forcefully to remove them, is one of the key tasks of country poverty

⁴ Ngeno N (1994). University of Nairobi. Comparative analysis of economic reform and structural adjustment programmes in Eastern Africa with emphasis on trade policies. July.

⁵ Collier P (1994).

⁶ Airey et.al (1993). Report.

⁷ Vali J and Weeks J (1987).

reduction strategies, if these strategies are to be successful in effectively reducing poverty and supporting the achievement of the MDGs.⁸

In the study “Can Africa Claim the 21st Century?” the argument was that Africa has enormous unexploited potential. It has hidden growth reserves in its people, including the potential of its women, who now provide more than half the region’s labour but lack equal access to education and factors of production. The study concluded that gender equality could be a potent force for accelerated poverty reduction in Africa.

Data shows that in 2003, the United Republic of Tanzania GDP per capita was \$611, Kenya’s \$1,034.8 and Uganda’s \$1,470. For the United Republic of Tanzania, it is significantly less than a third of the average in sub-Saharan Africa. According to the United Republic of Tanzania 2000/01 household budget survey, about 36 per cent of the population lives below the basic needs poverty line, and about 17 per cent below the food poverty line. Social indicators also confirm the severity of poverty: only 68 per cent of the population has access to safe water; infant mortality is 104 per 1000 live births; and life expectancy is extremely low, at about 44 years.⁹

In Kenya, the proportion of the population living in poverty rose from 45 per cent in 1992 to 56 per cent in 2000. It has been estimated that poverty currently affects about 17 million Kenyans, making poverty reduction a national priority. East Africa is also faced with an unprecedented burden due to the HIV/AIDS pandemic, malaria and tuberculosis. Whereas the country experienced an average annual GDP growth rate of 7 per cent between 1965 and 1980, growth rates fell steadily in the 1990s to average rates of 2.2 per cent and a low of -0.2 per cent in 2000. Per capita incomes contracted by an average of 0.5 per cent per year in the 1990s, due to a high population growth rate of 2.7 per cent.

The resultant stagnation was accompanied by a decline in the efficiency of capital and factor productivity.¹⁰ In general, East Africa continues to suffer deterioration in international terms of trade, and severe declines in living standards, despite initial positive progress. Indeed, it is a big challenge for Africa to meet the MDGs, as correctly explained by Jeffery Sachs. In his Millennium Project Report, published 17 January 2005, in order for Africa to achieve the MDG of halving poverty, better framework conditions must be created for the productive sectors, including additional resources. He argues that, in order to achieve the MDGs by 2015, official development assistance (ODA) needs to increase from \$68 billion to \$195 billion in 2015.

2.4 Challenges and constraints faced by women in agriculture and food production

Observations from studies conducted on agriculture in East Africa revealed that, despite the contribution of women in terms of labour, time and their role in the entire production cycle, there are gender asymmetries and biases.¹¹ Women more than men experience the following constraints:

- (a) Land ownership: A major constraint in agriculture activities is that the land used for cultivation by women is often marginal and lacks irrigation. This is largely because in East

⁸ Paper Prepared by C. Mark Blackden, Lead Specialist, Poverty Reduction and Economic Management Network, Africa Region, World Bank.

⁹ Tang H (leader, team of consultants) (2005). United Republic of Tanzania. Diagnostic trade integration study. Vol. 1. June.

¹⁰ World Bank (2005). Doing Business 2005 – Removing Obstacles to Growth”

¹¹ EAC Development Strategy 2000–2005. East Africa Community Treaty

African countries women do not own the land they cultivate. When women own land, it tends to be smaller, less valuable plots that always are overlooked in statistics. Statistics show that only 7 per cent of women in Uganda own land, and only 30 per cent have access to and control over resources. Furthermore, women are usually responsible for the food crops destined for immediate consumption by the household, that is, for subsistence crops rather than cash crops. Lack of recognition in the society has resulted in women's capabilities being overlooked;

- (b) Poor rural infrastructure: Poor rural infrastructure, including roads, limits farmers' access to markets, inputs and produce, and increases the costs of transportation, which often causes deterioration of produce, resulting in poor quality products. Women's products are perishable in nature without proper handling and efficient transport; they lose value or rot before they reach the market. Moreover, women are the ones to carry the produce to the market while men take control of the money. Similarly, inadequate and poor storage facilities cause substantial post-harvest losses, estimated to be between 30 and 40 per cent of the produce in the United Republic of Tanzania.¹² The absence of communication in rural areas is a serious constraint to the dissemination of knowledge and market information, both of which are vital to the survival of farmers in a free market economy;
- (c) Limited capital and access to financial services: Women have limited access to credit and financial services because they have no land or property to serve as collateral. In some cases, they have no control over cash generated from agricultural activities in respect of their important role in production. That means when women cultivated their crops, the profits were handed over to their husbands. This has also limited their ability to assess credit by offering the land they till as security in exchange for loans. Worse still, very few banks, if any, give credit for small-scale farming, considering farming a highly risky investment. In response to world market expansion, women have experienced problems in acquiring enough credit to produce quality produce, and Governments tend to overlook their needs in terms of tax incentives as an export promotion strategy. More often than not, tax concessions are offered to foreign investors, thus discouraging local incentives. In some cases, collateral is not the problem, but getting consent from the husband to take a loan;
- (d) Inadequate access to information and high illiteracy: Data indicate that education levels are generally lower among women and particularly women residing in rural East Africa. Boys are given priority over girls in education in families. Research in Uganda by Mariama Williams, on women in fishing and horticultural sectors, found that women lack reading skills and have difficulty in interpreting technically written information. Consequently, women producers do not have access to market information, sources and access to loans and inputs, quality and standards of production and the ability to implement cost-effective techniques. Also, limited access to information in rural areas is a serious constraint to the dissemination of knowledge and market information. The research further revealed that female producers prefer radio to other media such newspapers, seminars and training. This is because of high illiteracy levels and multiplicity of roles, worsened by women's time burden attending cultural and religious functions limiting free networking of women in associations or meetings;
- (e) Inadequate supporting services and networking opportunities: Supporting services, which are vital to agricultural growth, are insufficient. They consist of agricultural research and extension services, agricultural information services, veterinary services and plant protection

¹² Winkel R (1995). Topic: Women Under SAPs in Africa by DGAP in CDP:ECON.SAPS. 30 August.

services. Accessibility to such services is not in favour of women because of the nature of the products they produce. These services favour cash crops for export;

- (f) Lack of markets and marketing system: Marketing systems represent a critical issue to agriculture development as small-scale farmers experience difficulties in marketing their produce on a profitable and sustainable basis. There is no marketing system in place for non-cash crops produced by women. As a result, they fall prey to racketeers who determine the price and buy at very low prices from the farm. This problem perpetuates a vicious cycle of poverty due to farmers obtaining low income with no incentive to produce, declining productivity, no savings and inability to borrow, leading to a lack of investment. Accessibility to markets in most parts is a critical problem, especially for villages, which are very far from towns or cities or from main roads;
- (g) Lack of technology, irrigation, processing and storage facilities: Heavy reliance on the hand hoe as the main cultivating tool and dependence on rainwater for irrigation limit women's capacity to maintain and increase their production through land expansion. Similarly, inadequate and poor storage facilities cause substantial post-harvest losses, estimated to be between 30 and 40 per cent of the produce in the United Republic of Tanzania. Food processing technology is still very low yet faces stiff competition from imported processed foods;
- (h) HIV/AIDS: According to United Nations data, 28.1 million people in Africa are living with HIV/AIDS, of which 15.5 million are women, constituting 82 per cent of the world's women with HIV/AIDS. In Africa, women account for the majority of adults (58 per cent) living with HIV/AIDS. In East Africa, HIV/AIDS is a national pandemic affecting the active labour force between the ages of 20 and 49 years, the majority of which are women and youth. Women are more vulnerable than men due to cultural and religious norms, which limit a woman to have a say over her body. Women and girls also care for victims, using a lot of their productive time. As a result of this pandemic, there is reduction of productive labour in the sector, leading to low productivity.

2.5 Impact of SAPs on women in the agriculture sector

Perhaps the most severe impact of SAP reforms in agriculture and implementation of market liberalization is the removal of subsidies and abandonment of pan-territorial pricing of inputs in agriculture. Both of these have led to what Henry Benstein has described as simple reproduction squeeze, putting the inputs beyond the reach of a majority of the farmers in rural areas, the majority of which are women. Removal of domestic support programmes has reduced incentives for small business farmers, the majority of which are women, to produce for export.

SAPs have forced many households to adopt survival strategies, with detrimental effects on women. Removal of government subsidies for agricultural inputs and foodstuffs, and dismantling of State-owned marketing boards have resulted in a serious drawback to efforts of poor women farmers.¹³

According to a presentation on the economic status of women in Uganda, none of the SAP policies address what women around East Africa have noted as their primary constraints to production and to achieving household food security. Apart from the challenges they are facing as women, market and import liberalization has added to their burden due to:

¹³ Winkel R (1995). Topic: Women Under SAPs in Africa by DGAP in CDP:ECON.SAP. 30 August.

- (a) Increased food prices: Airey et al. urged that continuous devaluation of the shilling, opening up of crop marketing to private operators and rising inflation rates led to a fall in maize prices, a major staple food in real terms. Indeed, the increased food prices threaten the food security of women farmers and their families. In some countries, this is the case for up to 50 per cent of smallholder households. Liberalization policies removed government price support for smallholder growers and opened up grain marketing to private traders by creating a multi-channel competitive market. As a result, grain marketing at the village level was not competitive, and private traders dominated the market and dictated price levels;
- (b) Food insecurity and nutrition: Trade liberalization promoted the farming of cash crops for export over that of food staples, which affected the supply of basic foods. Women in the labour force moved away from food production and household provisioning into cash crops for export, weakening women's food-production system. Per capita food production decreased an average of close to 2 per cent a year in the 1980s, while food imports increased.¹⁴ It is argued that trade regulations coupled with unfavorable climatic conditions have reduced most sub-Saharan countries to international beggars for food and other forms of aid;
- (c) Reduction of productivity and output: The demands for cash crop production on women's labour lead to reductions in productivity and/or output of female food crops because woman's labour was drawn into their husbands' cash crops and away from their food crops. In practice, cash crops that are grown for export are the domain of men; although women provide the labour force, men control and benefit from the yield. For example in Kenya, women speak of planting tobacco, an export crop, right up to their door, yet not having enough money to buy food. Women in Uganda report that government incentives to produce beans for export have left them with no food crops for their families. Poor nutrition studies show that the nutritional status of women and children is worse among cash-crop farmers, particularly where the crops are tobacco, coffee and cotton;
- (d) Reduced use of inputs: A study on the United Republic of Tanzania found that farmers from the middle and poor groups of households, mainly women, reduce use of inputs. They bought fertilizers in smaller quantities (2–3kg) at a time, or ceased using them completely. Households with livestock increased the application of manures in their farms. As a result, producer prices for selected food crops increased significantly during the implementation of SAPs (78 per cent, 98 per cent and 81 per cent for maize, rice and wheat respectively).¹⁵ Market Liberalization has unilaterally led to a drop in productivity and increased food insecurity, especially so among the lower echelons of the middle and poor groups of households. The mean of agricultural revenue per cultivated hectare in a maize-dependent village declined by 22 per cent between 1979 and 1992. Generally, market liberalization led to decline of 71 per cent of the annual mean household income from agriculture.¹⁶
- (e) Competition: Lifting import controls often leads to the dumping of foreign goods, especially agricultural and light industrial products, which destroys domestic production and jobs. Since the United Republic of Tanzania opened its doors to imports in 1984,

¹⁴ Airey et al. (1993). Report.

¹⁵ Mung'ong'o (1998).

¹⁶ Airey et al. (1993). Report.

over 90 per cent of the country's textile mills, which employ mostly women, have closed. Consumption of locally produced food and other supplies have moved towards imported goods due to price competition and quality.

- (f) Imbalance of division of resources in households: Before market liberalization, men in the household had control over cash crops and women food crops. But decreasing commodity prices have shifted the system so that men are interfering in resources from food crops. Hence, grumbles over dividing the cash have resulted in violence. For instance, in Uganda, the importance of bananas, a woman's crop that traditionally was both eaten and sold on a small scale to urban traders, grew. And as bananas became a major source of cash, men increasingly moved to control the income from their sale. Similarly, in the United Republic of Tanzania and Kenya, men shifted to production of food crops primarily controlled by women.
- (g) Devaluation: Women in East Africa as main source of household expenditure, devaluation meant cutting off on family expenditure in food, health and education and other essential household items. Thus crippled women's ability to ensure family survival due to escalating prices of basic goods. In 1994 women in the Uganda reported a drastic change in eating habits, with they and their families forced to choose between reducing the proportion of the budget allocated for food and foregoing expenses related to health care, schooling, rent or household repair. It was reported that prices were so high that women could not purchase basic goods even if they were available in the market.

3. Coping strategies used by women to address the negative impacts of trade liberalization

This chapter provides information on practical examples of how women's groups from the East African countries reacted to the impact of trade reforms and the strategies used to resolve the negative impacts. Similarly, programmes conducted by association and government organizations, which assist in addressing the challenges of women in dealing with the reforms, are covered in this chapter. The coverage of the case studies includes: (a) a brief description of the case study; (b) limitations of problems facing women in the respective sector; (c) specific recommendations for addressing the limitations/problems/challenges.

3.1 Case study No. 1 from Kenya: women in the Maragua, Murang'a District uprooted coffee and grew bananas

Box 1. Case study No. 1

As a result of promotion of cash crops over food crops in Kenya, in Maragua, Murang'a District, women uprooted the coffee and they instead planted bananas and some grass so they could keep cattle there. Through their dramatic attack on the coffee trees, women broke and restructured longstanding social relationships at three levels:

- (a) Wives shifted effective control over resources from their husbands into their own hands;
- (b) They broke their relationships of chronic indebtedness and subjection to the State coffee apparatus, and established an alternative self-regulated banana trade;
- (c) The Maragua women extracted themselves from State-mediated relationships with foreign suppliers of agro-chemical inputs and a highly cyclical global coffee market which enriched commercial traders at the expense of producers.

Not only did Maragua women cultivators plant food, they also reinstated producer control over land by taking control of their own labour. They also re-established and strengthened their collective women's groups. Through these groups, widows, unmarried women and wives shared their particular strengths. Banana production and sale are peculiarly female activities in Kenya. Networks of women's groups, with the involvement of some men who are usually related, vertically integrate the cultivation, bulking, transport, wholesaling and marketing of bananas.

This business has brought money into Maragua that is controlled to a significant degree by women. Having substantially won the struggle with coffee, many women farmers now have the opportunity to decide what is to be grown on their husbands' farms. Maragua women have progressively gained control over land, not only as tillers but as beneficiaries of what is produced. They add nutrients to the soil while avoiding chemical inputs.

Landless Maragua women have benefited from banana production and the money it has brought into the community, for instance, through their association in "merry-go-rounds" with women who have access to small gardens. These revolving microsavings and credit groups based on friendship and trust further promote women's business investments, such as the purchase of a goat or a bicycle. The money stays in the community and members of the "merry-go-rounds" have a strong interest in the financial success of their partners. Barter and social solidarity are enhanced and these in turn strengthen women's capacity to operate cooperative work groups. Women with no access to land (widows, divorcees) have formed trade partnerships with women who cultivate bananas. The Maragua women have enhanced their control over land and their own labour in a field in which they are growers, "middlemen" and consumers of their own crop.

A similar case happened in the United Republic of Tanzania in Arumeru district in Arusha and West Kilimanjaro, where they uprooted coffee and grew vegetables, fruits and grass for cattle.

3.2 Limitations/constraints/problems facing Maragua women

In Maragua and elsewhere in Kenya, women uprooted coffee trees and used them for firewood. The penalty for damaging a coffee tree was imprisonment of seven years. In 1990, women responded defiantly to the longstanding deterrent, saying, "Let the police come and bring money to pay for labour in coffee". Soon, uprooting coffee was so widespread as to be unstoppable. The women in effect repudiated the law by direct action. Increasing numbers of women coffee cultivators threatened to stop caring for their husbands' coffee: Some said, "I am not going to pick coffee any more". And the men said, "If you are not going to pick, then I am going to chase you [away], you are not going to be my wife". The women then headed to the chief or sub-chief.

By and large, in Maragua in the late 1980s, the typical working man "secured his food supplies" by participating in his wife's rejection of coffee. The majority of men made a transition from resisting their women with threats, violence and divorce to accepting their initiatives. Many husbands recognized that their wives' resistance contributed funds and organizational militancy, which allowed men to hold onto their land in the midst of expanding and accelerating large-scale foreclosures. By planting bananas, the women act against the interests of a number of antagonists. With increased co-modification of all aspects of life under structural adjustment, the incidence of husbands' violence against women has increased, notably in confrontations over money.¹⁷

3.3 Case study No. 2 from the United Republic of Tanzania: Project for Women in Irrigation Development

Box 2. Case study No.2:

Women and Agriculture in Usangu District , Posted December 1996; Author FAO

In the United Republic of Tanzania, rice is a major cash crop and the second most important food crop after maize. In 1985, the Government of the United Republic of Tanzania initiated the Usangu Village Irrigation Project to

¹⁷ Case study from Kenya box 1. The entire case study including the limitations was copied from research conducted by: Terisa E Turner, with Wahu Kaana and Leigh S. Browhill. Main issues; women farmers and sustenance topics; gender, food and foreign policy towards Africa.

upgrade traditional rice irrigation schemes in the Usangu Plains, an area with approximately 20,000 inhabitants. The project assisted 2,125 households in 17 villages through the irrigation of 3,500 hectares of land.

Maize was usually grown on family plots and women had much of the responsibility for this staple. A major constraint for production was that the land used for cultivation by women was often marginal and lacked irrigation.

Although men had primary responsibility for rice production, the irrigation project for the cultivation of paddy rice increased the workload of women. Women did most of the construction work and, in some areas, were also heavily involved in the transplanting, weeding and harvesting of rice grown on the increased acreage. When women cultivated rice, the profits were handed over to their husbands

There was concern that the increased involvement of women in rice production would be at the expense of maize cultivation and mothers' childrearing duties, which could cause nutritional problems. To complement the irrigation project, the Women in Agriculture (WIA) project began in 1988 to assess the impact of the rice project on household food security and nutritional status on a subgroup of the population.

- (a) Household food security: After the assessment, a four-year WIA project began in 1991 with the goal of improving household food security and nutritional well-being of all household members through the specific involvement of women in agricultural development. The goal was to have a sufficient supply of food year-round and to increase the amount of time available to women for food preparation and childcare. As of 1995, the project had provided agricultural inputs to farmers with irrigated maize production and farmers with rain-fed maize. Economic assistance was given for rice and maize (both rain-fed and irrigated). This led to substantial yield increases of both maize and rice. Horticulture packages were distributed to women and households that were vulnerable to nutrition problems. Despite low rainfall, which severely affected food production, the project had a positive effect on improving productivity and diversity in the food available. The WIA project attempted to compensate for the increase in women's work, brought about by rice irrigation, by introducing new techniques to simplify food processing and preparation. Rice-husk-burning stoves were introduced to save fuel and allow women to simultaneously cook food and carry out other household and food production work. Milling machines for their maize and rice processing were introduced;
- (b) Monitoring and nutrition education: Children's growth patterns were monitored to determine the effects of changes in household food stocks, labour demands for both men and women, and frequency of child feeding. Later, Village Gatherings for Food and Nutrition (Health Days) were initiated to mobilize the community. During these gatherings, growth monitoring took place and malnourished children were identified. Nutrition education was provided. To promote increased consumption of more nutritious foods, men and women were given instruction by the district nutritionists on ways to prepare more nutritious weaning food mixtures by adding pumpkin leaves and groundnuts to their main cereal dishes. Women were taught techniques for drying pumpkin, cassava, and bean leaves for use later during the dry season, thereby helping to ensure food security during the lean period;
- (c) Emerging gender issues: Men participated in the WIA project, particularly those within the households at risk of malnutrition. They assisted in the preparation of foods and some brought their children to health clinics for weighing and measuring. Male village leaders and other district and regional government officials supported the efforts to reduce the workload of women and recognized the importance of women in agricultural and community development. Village Women Irrigation Committees were formed to encourage the women's participation in community development and to give them greater confidence to be more involved in decision-making;

- (d) Results: The project activities had a very positive influence in terms of improving the availability and diversity of foods at the household level through production increases and reductions in post-harvest losses, reducing the time spent by women on household chores and reducing women's workload;
- (e) Problems: A major constraint for maize production was that the land used for cultivation by women was often marginal and lacked irrigation. When women cultivated rice, the profits were handed over to their husbands. There was also a concern that the increased involvement of women in rice production would be at the expense of maize cultivation and mothers' child-rearing duties which could cause nutritional problems.¹⁸

3.4 Case study No. 3 from the United Republic of Tanzania: project for food processing

Box 3. Case study No. 3

Women Entrepreneurship Development Programme Project for food processing in the United Republic of Tanzania

Organization: Small Industrial Development Organization

The Small Industrial Development Organization (SIDO) is a government arm for promoting development of microenterprises and SMEs in the United Republic of Tanzania. SIDO has been running the above programme for 12 years. The objective is promoting productive employment and gender equality, including combating post-harvest food losses. The Women Entrepreneurship Development (WED) Programme has had the following successes:

Trained over 120 trainers and 3,000 women entrepreneurs in food processing and entrepreneurship development skills. 1,300 are in business, 600 actively involved and have created over 1000 jobs. To address the problem of equipment, SIDO operates a shop for inputs/machinery and packaging materials for food processors. On financing they have developed a credit facilitation scheme for food processors under the umbrella food processing association, administered by the United Republic of Tanzania Gatsby Trust providing loans for equipment, premises, raw materials up to 5 million shillings with interest rate of 24 per cent. Currently, WED promotes the export market for women through training in collaboration with ACCESS project (ITC/TFOC), JITAP and SME Competitiveness project under the Ministry of Industry, Trade and Marketing.

3.5 General recommendations: agriculture sector

East African Governments should endeavor to create banks of gender-desegregated data. Presently, the situation is such that when data is collected for national statistics, gender is often ignored or the data is biased in the sense that it is collected only from males, who are assumed to be the heads of households. It is important to take into consideration that there is an increasing number of female-headed households, even between East African communities.

It is time that East African Governments recognize that women as legal citizens of their counties are equally entitled to economic, social and political freedom. It is clear that, among other factors, women invisibility is further accentuated by their lack of political power and social representation, resulting from prevailing attitudes, gender-biased legal and social structures and illiteracy. Women's participation in decision-making is fundamental to their role in development and contribution to food security.

It is important for East African Governments to join the rest of the world in the commitment to the reduction of use of harmful non-renewable source of energy as agreed at the World Summit on

¹⁸ The case study is a research finding compiled by the Food and Agricultural Organization of the United Nations (FAO), posted December 1996: Project for Women in Irrigation Development, United Republic of Tanzania Women and Agriculture in Usangu District.

Sustainable Development held in Johannesburg in August 2002. There is a heavy dependence on fuel wood in the absence of better alternative energy sources. Global warming has had detrimental effect on agriculture, and it is therefore important that it be placed in the priority list if sustainable livelihoods are to be realized. Intensive exploitation of natural resources aimed at increased supply of primary export commodities and incomes has led to soil erosion, deforestation and increased threat of desertification. Specifically, the recommendations can be summarized as follows:

- (a) Land ownership: Government should embark on policies aimed at equal distribution of land among women and men. Lack of ownership and control of land has resulted in low incomes among women and an increased feminization of poverty. The United Republic of Tanzania has passed a law allowing women to own land. The challenge is in implementation, particularly in rural areas, due to slow change of attitude towards culture and customary laws on land ownership;
- (b) Research and extension service: Government should build research capacity and allocate enough budgets for adequate research and extension services to diversify the agriculture sector towards market demand targeting women in food production. Traditional methods of production, harvesting, storage and handling, not only affect production but compliance with sanitary and other health requirements. Research on production of organic foods which have a competitive advantage as a niche market should be explored. Also, dissemination of research information should reach the rural areas, including skills on compliance with health and environmental requirements, including sanitary and phytosanitary requirements;
- (c) Knowledge and access to information: Programmes and mode of delivery of the information should be designed with women participation and from women's perspectives taking into consideration their multiple roles. Needs assessment involving women's associations should be conducted to design the terms of reference for the programmes. Also, mode of delivery of the information should take into account the level of literacy, time of delivery, language and nature of the information. Radios have proven to be useful in places where the illiteracy is high also women can listen to radios while they are doing their other roles;
- (d) Capital and access to financial services: Agricultural credit should be made available to farmers with little affordable interest. Also, hire-purchase of equipment should be made available with the equipment as collateral. A deliberate effort of the Government, NGOs and development partners to provide guarantee schemes to farmers should be explored. This is because most banks and microcredit institutions hesitate to give loans to smallholder agriculture, as they are considered increasingly risky and unprofitable. Promotion of rural credit facilities and group lending among farmers should be encouraged and supported by local and national Governments;
- (e) Development of rural infrastructure: To facilitate agriculture production and market access and distribution of inputs, rural roads, feeder roads and rural infrastructure have to be developed. The Government, in collaboration with the private sector and development partners, should give priority to this sector;
- (f) Formation of women farmers associations: Formation of women farmers' organizations would help to discuss, analyze and find solutions to problems that also include gender issues related to agricultural and household work. This will facilitate sharing of

information and networking, including access to supporting services from the Government, NGOs and development partners as a group;

- (g) Access to supporting services: The private sector, with the support of the Government, should be encouraged to invest in food processing to add value to women's produce. Investment in new farming technologies, simple appropriate technology suitable for the farmers in the rural areas including developing skills is necessary for increase production and food self-sufficiency;
- (h) HIV/AIDS: Programmes to create awareness and sensitize the people on the pandemic should target the rural areas, in particular women, who are more vulnerable. For those who are affected, Government should make sure they have equal access to medication and the newly introduced drugs to elongate life.

4. Challenges and constraints facing women in the informal sector

Much as women are the majority in the informal sector, it is important to categorize them according to economic status so that we can (a) distinguish the magnitude of problems caused by trade liberalization on different levels; (b) recognize the different levels of women and their needs; and (c) identify the diversity of women so that they can be addressed effectively. The categories according to economic levels are as follows:

- (a) Survival Level: The need to satisfy basic needs of food clothing etc is paramount at this level. Most women in this category are illiterate and have no source of income. The existing programmes of women in development may better serve these. Indeed, most of the programmes by Government, donors and numerous NGOs target this category.
- (b) Upcoming entrepreneur or startup: Women in this group have satisfied the basic needs. They are at income-generating level and venturing into projects to generate an extra income. They have the drive, and have been exposed to some group training as most of them belong to certain women's groups. The women in this category can take initiatives. However, they lack property and cannot access credit. The projects they are involved in are small and risky thus they lack startup capital.
- (c) The budding entrepreneur: She is concerned with growth of her business. This type of woman has acquired some business management skills through experience rather than formal training. She is innovative, trainable and can handle credit. However, she lacks liquidity in her business, which in most cases is small and regarded as risky by banks. She is not capable of writing a bankable business plan. This category requires links to a formal credit institution.
- (d) The entrepreneur: She owns property, has built up enough confidence and can access credit from formal banks but lacks skills in formulating a bankable project. She needs assistance to graduate from retail trade to manufacturing or to become a big importer. This category requires technical assistance mainly.

According to a study on women in the informal sector conducted in the United Republic of Tanzania (sponsored by ILO) it was observed that the nature of businesses of a majority of women entrepreneurs is by itself a critical dilemma. At the meso level, the main constraints are limited education, skills (especially demand-oriented), business support services, affordability in terms of time and fees, and adequate loans to suit their businesses. According to illustrative data for Kenya,

60 per cent of informal sector enterprises are in trade, with over three quarters located in the rural areas, and 54 per cent are owned by men. They also noted that enterprises run by women tend to be smaller, to have less capital, to be involved in less lucrative activities and to be home-based because of the pressure of domestic responsibilities on women.¹⁹

At Medium level enterprises, the problem is more to do with market competition in male-dominated fields, inadequate skills in lobbying and negotiation skills, networking limitations due to gender constraints apart from general effects like government laws and regulations which affect businesses, bureaucracy and corruption and gender-based limitations perpetuated by patriarchal social relation.

Research findings from a joint report by ILO and the African Development Bank titled “Support for Growth-oriented Women Entrepreneurs in Kenya” in November 2005 found that in banking and finance, women’s enterprises were restricted to group savings and microfinance (which yield slow growth). Despite women having high demand for loans and credit, and even though they tend to be better savers and have better loan repayment rates than men, women entrepreneurs are unable to access commercial bank loans. As a result, women in Uganda resort to informal sources of credit through saving groups, mainly to satisfy social needs.

Main problems facing women in Kenya were found to be (a) lack of collateral for borrowing (often is in the husband’s name); (b) lack of confidence by banks in projects owned by women; (c) bigger ideas and bigger borrowing from men, while women are risk-averse and take smaller loans, which are more costly for banks to administer; (d) lack of ability by women to approach financial intuitions (e.g. management skill, and in some cases education, technical skills or business records that banks require).²⁰

Leading problems for women, in particular in the South of Uganda, include illiteracy, poverty, lack of voice and public security (war, insurgence, cattle raiding and banditry). Non-investment in girls’ education and inequitable burdening of women and girls with domestic labour have intensified their problems of inequity in taking up positions of responsibility in society, in control of income within households, greater female illiteracy, lack of property and land ownership and control for women. Also, adolescent girls have far greater levels of infection with HIV than boys of the same age. Effects of illiteracy are also multifaceted in the form of poor parental care and child malnutrition. Insecurity has caused displacement of families, loss of property and access to land, and deprivation of both income and property.²¹

A study sponsored by ILO in the United Republic of Tanzania observed that the major problems encountered by women entrepreneurs are low self image, reluctance to take risks, lack of knowledge on facilities provided by various institutions and support agencies, cultural and religious impediments, and difficulties in obtaining credit and constraints in combining business activities with family responsibilities.

In a study on Rural Programmes on Enterprise Development surveys in determining barriers to micro, small and medium-sized enterprises (MSMEs), it was revealed that the most serious constraint was related to credit access, followed by market-related problems (demand and

¹⁹ Dr. Dorothy McCormick (USA) and Dr. Winnie Mitullah (Kenya) illustrative data for Kenya.

²⁰ ADB Document name: W2 Year: November 2005. Topics: supporting women entrepreneurs.

²¹ Musoke RB (2006). Making trade work for gender equality. January.

competition), problems with inputs, and lack of infrastructure (see table 1). The ranking and intensity of constraints varied by size of the enterprise. Problems related to infrastructure, inputs, tax burden, regulation and skilled labour became more serious for medium-size enterprises.²²

Table 1. Main constraints as perceived by firm size

Constraint	Micro (%)	Small (%)	Medium (%)
Credit-related problems	85.6	75.0	63.3
Demand or competition-related problems	49.3	42.3	36.6
Regulations-related problems	7.7	2.3	13.0
Tax burden	9.7	10.3	14.0
Lack of infrastructure	12.0	9.7	38.7
Lack of support services	9.0	11.7	12.0
Lack of skilled labour	7.7	7.0	11.0
Investment capital-related problems	11.3	10.0	4.0
Problems with inputs	16.7	17.3	24.7
Macroeconomic problems	3.7	4.3	7.7

Source: Verspreet and Berlangue (1998):25.

Summary of challenges and constraints

These include:

- (a) Lack of access to information and weak networks: Lack of accurate information and mode of distribution affect access to market and opportunities, technology, sources of raw materials, credit and other important development information. In most cases, information is printed in newspapers, books or is on the Internet, meaning access, especially to women, is limited. Women also face gender-specific disadvantages, such as the pressures brought about by their caring responsibilities and associated ideas about their “proper” role in society as being in the home. This limits them from networking with other women; hence, they lack opportunity for sharing market information and exchange knowledge and experience. Without gender-sensitive business or networking support, women find it very hard to develop and find markets for their products;²³
- (b) Lack of social security: Poor individuals and households in developing countries suffer as a result of structural adjustment policies because the population does not have “social security” measures (as in most industrial countries) to protect it during situations of hardship. In industrial societies, a series of public measures exists to cushion members of the population against the economic and social distress that otherwise would be caused by the stoppage or substantial reduction of earnings – resulting from sickness, maternity, employment injury, unemployment, invalidity, old age and death – and to provide medical care and subsidies for families with children. In developing countries, however, this form of social security relates principally to the development of institutionalized security for “formal sector” wage earners only;²⁴
- (c) Lack of business skills and negotiation in the market: A majority of women in the informal sector have mainly primary school education and a few are secondary school

²² Rural Programme on Enterprise Development surveys (Verspreet and Berlangue, 1998).

²³ Nkinyangi J (1995). Main issues: women and informal sector.

²⁴ Meeting of experts on women in the informal sector organized by UNESCO at United Nations Centre at Gigiri, near Nairobi, Kenya.

dropouts. In the rural setting, the girl was not given equal opportunity to study like the boys; hence, they have limited education, training and skill (if any), which tends to affect their performance in later life. This also affects effective communication to negotiate/bargain favourably, manage debtors and keep proper records, let alone identifying market opportunities and sources of funding for income generation;

- (d) Lack of time due to multiplicity of roles: Women's reproductive roles and household requirements make it difficult for women to balance domestic matters and the enterprise expectations. Roles include caring for the children, the elderly and the sick, and attending social and community activities. A study in the United Republic of Tanzania shows that reducing women's time burdens in a community of smallholder coffee and banana growers increases household cash incomes by 10 per cent, labour productivity by 15 per cent and capital productivity by 44 per cent;²⁵
- (e) Access to capital and credit facilities: Traditionally in East Africa, women do not own property such as land. Similarly, due to responsibility for the family and dependants, they have limited opportunities to make savings or undertake business expansion and diversification. Thus, lack of savings and of enough capital and credit, because most women who venture into businesses have no collateral to enable them secure bank loans;
- (f) Lack of business development services (BDS): Microenterprises, in particular those in the informal sector in rural areas, are not aware of BDS, nor can they afford to pay. Moreover, due to their size and the business itself, they have not developed the culture of seeking expertise and technical assistance and in most cases cannot afford BDS, as proved by a study done in Burkina Faso. The majority of BDS are confined to urban areas with very few microenterprises benefiting through sponsored training and programmes. Men have more access to BDS than women;
- (g) Lack of business premises: A majority of women suffer from lack of business premises. They operate from their homes with little space conducive for production, especially food processing. Also, they have limited market potentials. The situation is worse in rural areas, where accessibility is a problem. As a result, expansion of business is affected by lack of space, and storage facilities affect the quality of their products and mass production;

Efforts to mitigate the constraints and the negative impact of SAP have been mainly through NGOs and few government interventions. The following case studies explain in practice the challenges East African women are facing and their recommendations including programmes and success stories to deal with national and international impact in their businesses.

4.1 Case study No. 4: the Equal Opportunity for all Trust Fund

Box 4. Case study No. 4

The Equal Opportunity for All Trust Fund (EOTF) is a non-profit organization started in 1997 by the former first lady of the United Republic of Tanzania, Madam Anna Mkapa. The objectives of EOTF are support and empowerment of the disadvantaged segment of the United Republic of Tanzania society through increased social, economical and

²⁵ Tibaijuka A (1994). The cost of differential gender roles in African agriculture: a case study of smallholder banana coffee farms in Kagera Region, United Republic of Tanzania. *Journal of Agriculture Economies*. Vol. 45.

educational opportunities. Women in Poverty Eradication is one of the EOTF programmes. Under this programme, women entrepreneurs receive training and skills development in production, marketing, entrepreneurial skills, basic management skills, how to access to credit facilities and HIV/AIDS awareness. EOTF, in collaboration with the Ministry of Industry and Trade and Ministry of Community Development, Gender and Children, facilitates selected women's group representatives from the districts to participate in the Dar es Salaam International Trade Fair. A representative is selected from women's groups in the district, mainly from informal and microenterprise, to represent the interest of the group. She carries selected products for promotion from different groups in the district and displays the products, record orders and eventually sells them on their behalf. During the fair, EOTF selects potential products for export market from participants for promotion. They solicit orders and act as a link between the supplier and the export market. This proceeds until the supplier is able to handle the export orders herself. After the fair, EOTF displays some selected samples of products in their office showroom for more promotion.

In 2001, EOTF conducted an evaluation of 27 success stories of women enterprises that started as informal and were enabled to grow through EOTF programmes to formal, and ultimately to export markets, recorded a tremendous improvement in sales turnover, quality, volume of sales and profit.

The categories of businesses in the evaluation included textile, canvas, leather, handcraft, pottery, food processing and jewelers. Sixty per cent declared that their participation at the trade fair enabled them to make their products known hence got local and export orders; 28 per cent got local orders within the country and were able to sell a lot of products during the fair; 12 per cent were newcomers and could not comment yet. Meanwhile, the entrepreneurs commend the fairs for (a) giving them exposure to products in other local and international pavilions; (b) availing them an opportunity to interact with other entrepreneurs and customers outside their local business environment; (c) developing local and international business contacts; (d) gaining confidence and negotiation skills; and (e) learn a lot of designs, colors and styles liked by customers. Some of the success stories are as shown in the following case studies.

4.1.1 Kimo Fashions Enterprises (Oliver Kimaryo)

This enterprise started in 1999. The business idea was to produce and sell men's wear, ladies' and children's wear. Products such as beads, sandals, and leather were added later as the new lines of the business. It started as the informal enterprises with startup capital of Tshs 400,000; slowly, it grew as the market for the product expanded. With participation in the trade fair, it managed to get orders in neighboring countries of Uganda and Zambia.

A problem facing Kimo Fashions Enterprises at present is how to raise enough capital to fulfill the big orders it gets. Although it had a capital of Tshs 8 million during the study, its market is threatened because it cannot meet its orders on time due to lack of working capital. It is felt that the company's market is bigger and can absorb more. The problem is that it does not have enough capital to plug into the business in time when it has big orders. This makes it difficult to retain business contracts as the partners lose confidence due to late delivery.

4.1.2 Marvelous Batik (Flotea Masawe)

Mrs. Masawe started the business of batik making and tie-dye in 1991 with the idea of improving her family standard of living. Initially, she started as a small informal backyard enterprise with small startup capital and little expertise. To increase her skills, she joined a vocational training center where she learnt production skills and marketing. With the help of EOTF, she participated in the annual Dar es Salaam International Trade Fair. She managed to get orders from Uganda, Kenya and Zambia, as well as local orders. As a result, she expanded her business and started participating in local trade fairs and later in Europe and the United States. She has also opened a shop in the

Namanga area, a prime area in Dar es Salaam. Flotea is exporting her products to different parts of the world, and she is among very few who have exploited the United States market through the African Growth Opportunity Act (AGOA) programme. At the same time, she opened a training centre, to train women and youth groups in batik-making, tie-dying, garment production, embroidery and product design. She has become a role model; as a result, more than 40 groups from within and outside the country visit her annually for study tours.

4.2 Case study No. 5 from Uganda: Women Entrepreneurs Association

Box 5. Case study No. 5

The Uganda Women Entrepreneurs Association (UWEAL) was set up in 1987, and has over 1,000 members, with seven autonomous branches in up-country districts of Uganda. The businesses range from micro to small, medium and large enterprises, but most members own small or medium-sized enterprises. Sectors include handicrafts, textiles, tourism, education, food processing, groceries and agriculture. UWEAL struggles for women's economic empowerment from the grass roots upward. UWEAL also undertakes advocacy on behalf of its members. It lobbies for guarantee loans for businesswomen, e.g. through the African Development Bank, and has participated in debates on land law legislation, advocating land ownership and succession rights for girls. UWEAL activities, particularly in the district branches, differ from those of mainstream entrepreneurs' associations in that they actively seek to address the gender-specific disadvantages that women face. For example, the branches run HIV programmes and provide maternity advice and address issues that impose barriers to the development of women's businesses.

4.2.1 Success stories

UWEAL has many success stories: as evidenced by statements by entrepreneurs who said:

- Sarah Lubega, winner of the Achievers Award 2004: "I entered UWEAL as a professional woman. I did not have any idea of starting a business. After three years, I own three commercial apartments."
- Craft producer Alice Mbuga: "My business got a lift since I joined UWEAL. I managed to increase my sales through UWEAL networks."
- Joyce Rwakasisi: "After this training I can now venture into the export market without any fear."

UWEAL has managed to train women in their rural branches, e.g. Luwero branch, to use computers and the Internet to access information in a country where most women have never seen or touched a computer. They are also running the Commonwealth Service Abroad Programme (CSAP). They are the Ugandan focal point for the International Trade Centre-supported Access Programme.

4.2.3 Limitations

UWEALs scope remains limited. The association covers only seven out of Uganda's 30 districts and there is a need for capacity-building work within the district branches. Isolation and lack of adequate business support and networking are problems that continue to face businesswomen. Restricted business opportunities due to lack of information, training or finance consistently undermine the potential of women's hard work and their ability as entrepreneurs

4.2.4 UWEAL recommendations

These include:

- (a) Mainstream trade policies need to change in order to acknowledge the gendered impacts of trade and to promote women's access to resources, employment rights and decision-making on trade issue;
- (b) More collection of gender-disaggregated data is needed, together with detailed research into the impact of trade liberalization on gender relations and women's lives;
- (c) Entry points such as trade review mechanisms and mainstream impact assessments must be used to draw attention to gender-sensitive impacts;
- (d) Women involved in trading activities must be enabled to participate in determining priorities for trade and make trade for gender equality.²⁶

4.3 Case study No. 6 from Kenya: women in handcraft export

Box 6. Case study No. 6

Seminar organized by OWIT in Nairobi, Kenya 21 May 2004/main issues in multilateral trade agreements and their impact on women entrepreneurs

Kenyan handicrafts and curios are known around the world. Kenyan hand-woven baskets, woodcarvings and stone curios yield high annual export earnings from international markets. During a seminar organized by the Organization of Women in Trade (OWIT) on the theme "Women in Trade: Accessing New Markets", participants observed that there has been insufficient attention and research into understanding the impact of increased trade opportunities through the multilateral trading system for Kenyan women in MSMEs. Women's efforts and their contributions to Kenya's economy is often not given due recognition, as there is no gender-desegregated data to support this. For instance, one participant recounted her experience in trying to export traditional hand-woven Kenyan baskets which Kenya has been exporting for years to France, only to have her products rejected on the basis that a company from the Republic of Korea had a patent for a similar product. This is a trade-related aspect of intellectual property that affects Kenyan women entrepreneurs. However, Kenyan women in handcraft and basketry are actively participating in local, regional and international trade fairs, despite the difficulties they are experiencing. The experience shared by the participants was that, while opportunities for increased trade were clearly articulated, women could not easily take advantage of the potential benefits because of challenges and constraints they face. Many women in the export business in Kenya are to be found in the SME sector. Typically, they will operate in small-scale businesses such as exports of handicrafts, curios and horticultural products

4.3.1 Challenges and constraints

Some challenges and constraints include the following:

- (a) Women lack access to credit and access to trade-related information. They have limited capacity in terms of knowledge and skills, making it difficult to access new opportunities and markets in trade. Those who already have access to markets, business services and property – and therefore access to credit – are more likely to benefit from trade and investment opportunities than those without. In Kenya, this means that big established businesses are more likely to benefit from increased trade opportunities made possible through multilateral trading arrangements than small or microenterprises in the informal sector, where it is more likely to find women;
- (b) Lack of capacity is a great constraint. Some women in the export business, who

²⁶ Research findings compiled by Ruth Biyinzika Musoke. Topics: gender and development main issues; making trade work for gender equality year. January 2006.

successfully manage to secure large orders from new markets, face the challenge of supplying these orders and consequently fail to supply their markets. The reason for failing to do so is often that they did not have the capacity to make the orders by themselves, or did not have access to credit services to make this possible. The result is that Kenya's credibility is greatly eroded by those who fail to supply orders made to their markets, making it difficult for other Kenyan women traders to secure orders from the same markets;

- (c) There is declining demand for traditional handicrafts, as these products face stiff competition in the market from synthetic products and other substitutes that are manufactured cheaply and quickly by competitors. Another challenge that traditional handicrafts face lies in the realm of intellectual property protection. Products based on traditional knowledge that belong to the community are not easily protected under the intellectual property regime. Over the years, some Kenyan products have been copied and subsequent innovation of the traditional products has been granted intellectual property protection elsewhere. This makes it difficult for Kenyan products to compete with the new improved products elsewhere;
- (d) To remain competitive in the international market, Kenyan entrepreneurs in the handicraft and curio business must try to understand their markets through research of market needs and trends. They need to be innovative and improve on old products or create new products that are attractive and meet customer's expectations. We have received feedback that some Kenyan products have performed poorly in global markets because of poor product design. It is not unusual to hear of shipments being rejected for failing to comply with specifications. This is a constraint that can be addressed by building women's capacity and technical skills, through technical assistance in product design and development. With the declining demand for Kenya's traditional products in traditional markets, Kenyan women have had to address the challenges of remaining competitive in the international market place, by exploring and breaking into new markets, and by diversifying their export products. This has meant improving on old products, as well as developing and introducing new products that are attractive and meet market expectations;
- (e) To successfully identify new markets for their products, Kenyan women need access to trade information, and to participate in trade promotion missions and programmes. Although the Export Promotion Council and other government agencies try to make trade-related information available, this is not always accessible to women. Participating in trade promotion missions is also an expensive venture for women.

4.3.2 Recommendations

During the OWIT seminar, the Government was asked to recognize the significant role that women play in Kenya's economic development as traders, entrepreneurs, business owners and workers in both the formal and informal sector, and to facilitate their access to the benefits of trade liberalization and access to new markets. Some of the specific measures that the Government was asked to consider initiating to address the challenges and constraints faced by women in small and microenterprises and to facilitate real access to the benefits of increase trade under multilateral trading arrangements were:

- (a) Promoting women's access to and opportunities in trade by building the technical and management capacities of women entrepreneurs and traders to give them reasonable facilities and opportunities to realize their full potential;

- (b) Targeting and encouraging participation of delegations of businesswomen in trade promotion missions and programmes;
- (c) Providing capacity-building that helps women improve their marketing activities in order to strengthen the export competitiveness of products and services of their small and microenterprises; and
- (d) Promoting the setting up of funds for women-owned businesses, to improve their capacity to take advantage of global and regional trade agreements.

4.4 Case study No. 7 from the United Republic of Tanzania: SIDO textile, handicrafts and artisan development programme

Box 7. Case study No. 7

SIDO: an organization of the Government of the United Republic of Tanzania

Since the 1970s, the Small Investment Development Organization (SIDO) started assisting women in textile and handicraft through; Provision of business management and technical skills such as simple technology for production and marketing of batik, tie-dye materials. SIDO used to buy the materials and the dyes and sell them to women entrepreneurs at competitive price. In financing their business they started a credit scheme to groups and individuals. The organization also facilitated the women entrepreneurs to form associations such as ADAT and MIKONO which to date are very strong associations. SIDO also organizes product promotion campaigns and exhibitions including innovation exhibitions and reward innovators. To curb the problem of business premises, SIDO opened industrial estates in Dar es Salaam and the upcountry and rent to entrepreneurs at affordable rent. This included both men and women. In 2003, SIDO developed a pilot incubator for MSMEs product development where innovators and people with new business ideas are invited to occupy production premises fully supplied with amenities for three years and training. They are expected to graduate and find permanent premises after the lapse of the three years. Few women are in these incubators; SIDO is encouraging more women to join. They plan to open incubators in all regions by 2010.

4.5 Case study No. 8: options for financing SMEs through SIDO

SIDO financing facilities

Options for financing SMEs through SIDO

SIDO has over 30 years' experience in providing financial services to SMEs and microenterprises, specifically women's groups, through different schemes. Data from SIDO show that a larger number of borrowers are women with lower loan value but higher job creation. For instance, data compiled in August 2005 show that, of a total number of 26,108 loans, 13,608 loans amounting to Tshs 5,144,716 were by women, compared to 12,181 amounting to Tshs 6,686,360 that went to men. However women businesses created 25,807 jobs, compared to men, who created 20,236

Some of the loan schemes include the following:

- (a) Hire purchase where loans on equipment/machine were provided and acted as collateral. Down payment for men was 25 per cent while women was 10 per cent. Over 600 women benefited from this scheme;
- (b) The Regional Revolving Fund is given for working capital and Investment. All SIDO schemes have interest rates of 22 per cent;
- (c) National entrepreneurship Development Fund started in 1994 by the Parliament and offers loans for working capital and banks;
- (d) Small entrepreneurship loan fund offer credit for six regions to small enterprises on working capital and Investment;

- (e) SIDO's observation and recommendations for growth of women entrepreneurs;
- (f) Women entrepreneurs are good at utilizing credit resources statistics show that they generate more given the same amount as their male counterparts and good at repaying;
- (g) Financial institutions and banks should focus on the growth-oriented women entrepreneurs, since they are in the middle in the development. These institutions should offer loans with low interest rates and better conditions;
- (h) Credit facilities/schemes should be sustainable since without them, no steady growth can be achieved;
- (i) Many women exporters need to be taught on exports requirements/customers demand and needs as to answer better on the international markets;
- (j) Provision of currently/updated information on marketing and technology is necessary to move with current trends of development.

4.6. General recommendations for the informal sector

4.6.1 Trade policy and macroeconomic policy environment

Government should implement appropriate monetary and fiscal policies such as lowering and controlling inflation, and stabilization of interest and exchange rates. These are important inputs for economic growth and nurturing of SMEs and microenterprises that deploy the majority of the population, in particular, women. Trade policy instruments like tariff, taxation and export promotion should consider the gender factor and gender differences, including women's traditional economic activities, to mitigate the impact of trade reforms on women. Involvement of women in policy formulation and implementation at all levels should be mandatory to accord women the right to be in the national development plan.

4.6.2 Legal and regulatory framework

Establishment of an enabling business environment through review of legal and regulatory framework that impacts on women business is important. The target should be to lower transaction costs, enhance business compliance and improve efficiency and competitiveness. Development of simple appropriate business-friendly licensing and taxation procedures is a prerequisite for enabling women in informal and microenterprises to enter the formal sector. Emphasis on export promotion should not be at the expense of food security, which is the domain of women.

4.6.3 Supporting services to women

Economic policies, in particular trade policy, should be designed considering gender differences in production, consumption, and access to resources and responsibilities. Women should be recognized as agents of development and the kinds of work that they provide, visible or hidden, should be taken into account in economic research, national accounts and planning.²⁷

4.6.4 Formation of women's groups

Formation of strong women's economic groups should be supported through training, skills development, technology and sharing of information. Women's groups in East Africa should share their experiences and strengthen one another in their activities to have strong bargaining power. They should also learn from each other's strengths and weaknesses. Also, documentation of success stories of women should be documented and used as role models to empower women. Women's

²⁷ Nkinyangi J (1995). Management of social transformation main issues: women and informal sector.

groups should be enabled to formulate their own project designs, organizations, decisions and objectives in relation to their needs, priorities and specific socio-economic, cultural and resource constraints. In informal sector-related activities, as shown in the case studies, they are in a particularly good position to make decisions.

4.6.5 Access to credit by women entrepreneurs

Women in the micro and informal sector should be helped to get credit facilities that do not require, for instance, land, house and other assets controlled by men as collateral since they have no control over the resources. Options of guarantee schemes, including group lending, should be explored. Training and knowledge on sources and uses of credit should be made available and simplified.

The public sector and formal financial organizations should be sensitized on the value of gender-balanced participation in the informal sector enterprises by opening a window in their institutions for women credit and support services.

5. Opportunities under the multilateral trading system

The East African countries are members and benefit from market access and additional non-reciprocal concessional market access opportunities to the 149 member countries of WTO. East Africa has special and differential treatment to facilitate integration in the multilateral trading system (MTS). As a result, the countries have fewer obligations and longer timeframes given for phasing in the agreements to allow for adjustments. Technical assistance for capacity-building is another opportunity granted for addressing adjustment costs related to balance of payments, subsidies and agriculture and trade policy review. Under the current Doha negotiations, which are in favour of commitment for market access and consideration of development issues, is another opportunity for East African countries. Examples of programmes emanating from multilateral trade negotiations include the AGOA offered by the United States, which offers tariff-free and quota-free access to American markets for goods originating from LDCs, Everything But Arms (EBA) from the European Union. Others include the DANIDA support programme on market access.

5.1 Trade-related technical assistance

Trade-related technical assistance falls under the integrated framework, which has been endorsed as a facility for LDCs and developing countries to address supply-side constraints and to respond to the development needs. The programmes are being implemented in collaboration with UNCTAD, ITC, World Bank, IMF and other development partners in respective countries. Programmes under implementation in East Africa include integrating these countries in MTS, addressing supply-side constraints, including quality and standards, programmes on providing enabling business environment, capacity-building, and stimulation of higher productivity and efficiency. Some of these programmes are as follows:

- (a) Joint Integrated Technical Assistance Programme (JITAP): JITAP I & II have been implemented in all East African countries since 1998. The objective of JITAP is to assist African countries to benefit from the new MTS based on the Uruguay Round and subsequent WTO agreements, build national capacity to understand WTO agreements and their implications for the country, conforming the policy and regulatory framework to the agreements and enhancing the countries' capacity to take advantage of the agreements through improved exports readiness. JITAP has succeeded in building and enhancing national capacity in WTO negotiations and understanding the implications of the WTO agreements and the emerging MTS for the national economy

and external trade. Through its sector development programmes, JITAP has assisted the East African countries to understand markets and develop sector strategies. On relevant sectors to the study, under JITAP the countries have developed sector strategy and action programmes using the bottom-up approach under the guidance of a coach with private–public participation. The United Republic of Tanzania developed programmes for textile, clothing and spices; Kenya fish and horticulture; and Uganda spices and horticulture. For instance, the JITAP programme, in collaboration with SIDO, has conducted courses in five zones for Export Marketing and food processing, mainly for women entrepreneurs in the micro and informal sector. They target women to overcome gender-based constraints. Women often have limited access to business development services, although they are more entrepreneurial and make up a significant part of the United Republic of Tanzania labour force. It was a deliberate effort to facilitate their involvement in the food processing export business.

- (b) **Business Environment Strengthening for the United Republic of Tanzania (BEST):** The BEST programme in the United Republic of Tanzania has the objective of creating a platform for enhanced competitiveness of firms and entrepreneurs that emerge from high transactions cost through the need to comply with regulations and administrative procedures. Apart from practical regulatory reforms – i.e. business licensing – focus is also on building capacity for better regulation in Government and effective participation in policymaking by the private sector. BEST programmes have consisted of five components: achieving better regulation, improving commercial dispute resolution, strengthening the United Republic of Tanzania Investment Centre, changing the culture of Government, and empowering private sector advocacy.
- (c) **Other programmes – Business Sector Programme Support (BSPS):** The aim of the programme is to improve access by SMEs to international and domestic markets, especially through product quality improvement and standardization, export promotion, support to trade promotion, support to trade negotiations and strengthening competitiveness of the companies. In the United Republic of Tanzania, the main activities under this programme are international trade negotiations, product quality improvement and SME competitiveness. In Kenya, the essential component of the programme is enhancing competitiveness of micro and small enterprises (MSEs), technological/technical and quality support, and support to access to finance for MSEs. The subcomponents address the need for increased competitiveness and upgrading through vertical linkages of both formal and informal MSEs, support for the supply of different kinds of technical information, training regarding standards, quality, cleaner production technologies and technological research. Another subcomponent focuses on the need to develop microfinance and credit facilities that will help, in particular MSEs, overcome the present credit constraints.

5.2 Regional trading arrangement/East African Community Treaty

The United Republic of Tanzania, Kenya and Uganda are parties to the treaty establishing the East African Community (EAC). The three EAC partner States signed the Treaty for the Establishment of the East African Community on 30 November 1999; the treaty came into force after its ratification on 1 July 2000. This has influenced the national trade policies of the member States.

The objectives of the Customs Union are to (a) further liberalize intraregional trade in goods on the basis of mutually beneficial trade arrangements among the partner States; (b) promote efficiency in

production within the community; (c) enhance domestic, cross-border and foreign investment in the community; and (d) promote economic development and diversification in industrialization in the community. Currently, they have already established a three-band common external tariff with a minimum rate of 0, 10, 25 per cent respect of all products imported into the community. Full operation of the Customs Union will take five years.

The partner States have agreed to support export promotion schemes in the community for the purposes of accelerating development, promoting and facilitating export-oriented investments, producing export competitive goods, developing an enabling environment for export promotion schemes and attracting foreign direct investment. Some of the schemes include duty and value added tax remission schemes, manufacturing under bond schemes, export processing zones and special economic zones.

However, the different configurations of the East Africa, countries – whereby the United Republic of Tanzania is a member of the South African Development Community (SADC) while Kenya and Uganda are members of the Common Market for Eastern and Southern Africa (COMESA) – pose a challenge, taking into account the current negotiations of the Economic Partnership Agreement (EPA) in which the United Republic of Tanzania is negotiating under SADC and Kenya and Uganda under COMESA.

The States also have a common agriculture policy for promotion of cash and dealing with food security. For instance, Uganda as well as the other States' strategies on agriculture includes agro processing and marketing of agricultural products. Strategies to benefit from international markets include (a) building capacity in terms of competent personnel for international negotiations, especially in agriculture; and (b) establishing a warehousing receipt system and an agricultural commodity exchange. Marketing and agro processing strategies are intended to guide the provision of marketing information to farmers and traders, introduce quality standards, promote post-harvest technologies and develop market infrastructure. Government has implemented trade reforms in key subsectors in agriculture, with the objectives of increasing production, promoting research, technology and extension service, and adding value. The selected products are coffee, cotton, tea, tobacco, livestock, and fisheries.

The EAC policy is obviously in favour of cash crops for exports, which is the domain of men. The challenge is the extent to which the strategies take into account the gender asymmetries, considering the social, cultural and patriarchal relation, which gives men the right to own resources from cash crop at the expense of women's labour and time. The issue is participation of women in the process of policy implementation and recognition of women's labour and time in sharing the resources. It is therefore in the interest of women to consider their challenges in the setting the policy strategies.

5.3 Challenges and constraints in responding to trade opportunities

5.3.1 Trade liberalization and globalization

The process of globalization and liberalization has taken place in the midst of a lack of capacity in sub-Saharan Africa to rapidly put in place the requisite competitive capacity. During the 1980s and early 1990s, many countries experienced a process of de-industrialization. The surviving industrial structures remain oriented towards highly protected domestic markets dependent on imported inputs characterized by low linkages to export markets.

5.3.2 WTO agreements/Doha Development Agenda

The Doha Development Agenda (DDA) round is seen as critical for trade in developing countries. Among other issues of interest to developing countries was negotiation on agriculture trade, market access and elimination of commodity support programmes reduction with a view to phasing out all forms of export subsidies. The challenge is on market access and tariff formula reduction agreed in Hong Kong, China. Observations on market access opportunities in poor countries – those in Africa in particular – have not resulted in increased exports. The reason is largely because most of these schemes exclude sensitive products through strict regulations and sanitary measures. Moreover, supply-side constraints limit exploitation of opportunities discussed under DDA.

5.3.3 Supply-side constraints

Encompassing low capacity for production, quality production and delivery of goods and services inhibits venturing in export markets and meeting orders.

5.3.4 Cost of doing business

The cost of operating a business in Africa remains comparatively high. As a result, African firms and products remain uncompetitive due to high operational costs reflecting weak infrastructure, high tariffs, low reliability of services in the sectors of transport, telecommunication, energy and other supporting services and inputs.²⁸

5.3.5 Lack of capacity

East African countries, like most African countries, lack adequate capacity for effective participation in the multilateral trading system negotiations. Either it is due to lack of enough knowledgeable negotiators or resources to participate in meetings, which in most cases take place simultaneously.

5.3.6 Regionalism

Many African countries continue to exhibit poor linkages both within and across countries. In East Africa, despite long relationships in cross-border trade, they trade more with the European Union and other nations more than among themselves. At the same time, there is little interdependence among African countries and within individual African countries in soft and hard infrastructure. For instance, telecommunication networks and movement of persons and goods from one country to another are undertaken via Europe.

5.3.7 Weak private sector

The private sector in East Africa is still at its infancy, characterized by SMEs in the majority in the informal sector. Hence, the sector is still weak in exploiting regional and international trade opportunities. The sector is also constrained by (a) limited ability of the Government to provide adequate support; (b) limited managerial capacities; (c) a cumbersome and costly legal and regulatory framework; (d) expensive utilities amounting to high cost of production; (e) limited access to finance for long-term and short-term credit, especially to SMEs, due to lack of collateral, bankable projects for microenterprise and high interest rates; (f) inadequate technological services; (g) lack of skills and entrepreneurial development; and (h) inadequate sector specific initiatives.

²⁸ Mariki W (1999). African competitiveness: comparative analysis of African infrastructure. Washington, D.C. World Bank.

6. Gender issues emerging from national, regional and international trade policies

Gender equality rights are not at present, explicitly integrated in international trade agreements, which form the national and regional trade policies. Trade ministers who negotiate trade agreements and WTO should recognize in their declaration that trade has a gender impact, and also that it is necessary to take these impacts into account if WTO is to achieve its goal of promoting the interest of all peoples.

The mere fact that women are engaged mainly with food crops for food consumption and not cash crops for export, benefit them less than men in trade opportunities from multinational agreements, whose priority is production for export. The situation is perpetuated by gender rigidities in control over land, labour, time and the additional income that is generated by a switch to export crops which constrain women farmers in some parts of Africa from following up on trade-related agricultural opportunities.

At the national and regional levels, trade policies focus on increasing exports and producing for export markets without addressing the gender implications on women. Both the World Development Report put out by the World Bank and the 1998 Human Development Report show that nations which have taken deliberate steps to empower women, or at least allow them into mainstream development, have fared better on the economic front. Therefore, failure to include women in the development process runs counter to the true spirit of development, but it invariably hinders the process itself. Development programmes in agriculture, health, education and nutrition are most adversely affected when they ignore women in the planning process.²⁹

According to Curry et al., a framework for addressing gender issues with regard to responsibilities must include questions such as: who is responsible for what task, what do they know about the task, who owns what, who controls income that emanates from these tasks, who is likely to benefit from training to improve performance of this task?

6.1 Recommendations

The structural weaknesses mentioned above imply that East African countries have to strengthen their capacities to compete in international and domestic markets in order to be able to reap the benefits of trade liberalization. Therefore, the study on East Africa women's role has the following recommendation at regional and developed countries/multilateral level.

6.1.1 National and regional levels

Companies and agricultural producers likely to be most negatively affected by trade liberalization should receive special attention and preferential financial and technical assistance from donors, to assist them in becoming as competitive as possible before new trade regulations come into full effect. Insufficient attention has been paid to implementing measures to reduce the predicted consequences (economic and political) expected in some sectors from accelerated liberalization of trade. Trade rules should allow for periodic review and adjustments of the rate of liberalization and other key trade issues through specific legal mechanisms. This will enable poorer women of East Africa to become more willing to take risks in trying new initiatives. Women's groups should formulate their own project designs, organizations, decisions and objectives in relation to their

²⁹ Oniang'o R PhD. (1999). Nairobi. Paper Presented at the Conference on the Roles, Constraints and Potentials of Women in Agricultural Development. August.

needs, priorities and specific socio-economic, cultural and resource constraints. In informal sector-related activities, as shown here, they are in a particularly good position to make decisions.

“Time-budget” surveys done by planners are sometimes recommended in efforts to measure and assess women’s tasks; however, these surveys are not generally sufficient for understanding the women’s time and work burdens, and they do not reflect the intensity and nature of work burdens. Women are in the best position to know which problems and time constraints are most important.

Women’s groups in East Africa should share their experiences and strengthen one another in their activities. They should also learn from each other’s strengths and weaknesses. Also, successful groups should approach government officials at all levels of planning to explain the importance of their efforts, provide evidence of progress, establish legitimacy and, if necessary, acquire government support and inputs. Women who are experienced in such projects, regardless of whether they have “professional” credentials, should offer to be chief advisers to government planners for all matters concerning the informal sector.

To promote initiatives among women, changes must be made from the point of view of politicians, planners and government agencies. Breaking down traditional patterns and biases is not easy; government officers must give women full responsibility and support. The task of changing “conventional” orientations will become increasingly easier as male directors and planners come to appreciate and understand the important roles that women can have, and to recognize that women’s efforts will contribute to the larger objectives of the society as well.

Apart from “strategy” issues, another important lesson can be discerned from this study: women’s groups should be encouraged to address power relations and political issues, and they should not be co-opted into existing structures that mute their potential contribution. Women’s efforts will not have full impact if they remain mere depoliticized “pawns” or peripheral actors in other people’s development schemes. Rather, they need autonomy, visibility and decision-making power.

Activities of women in the informal sector cannot be examined in isolation from those of other key actors with whom women are sometimes in competition, including men and children. Moreover, women’s roles and contributions, including activities in the informal sector, need to be situated within an appropriate analytical frame.

A shift is necessary in the primary objectives of adjustment policies and lending to place primary emphasis on such equity concerns as the economic security, health and well-being of women and the poor. This will require policies that help increase women’s access to and control over resources and government services.

The design of economic policies should be based upon an accurate understanding of women and the poor including gender and intra-household differences in production, consumption and access to resources and responsibilities. Women should be recognized as agents of development and the kinds of work that they provide, visible or hidden, should be taken into account in economic research, national accounts and planning.

Economic policy – reform programmes on the basic role of women as producers and on their access to education, property rights and financial credit – should be emphasized. Without this focus, adjustment policies will continue to degrade women’s productive capacity, thus precluding their critical participation in revitalizing collapsing economies and dooming economic reform to failure.

Women should be included as full partners in all national and international economic decision-making processes needs mechanisms to exchange information and policy analysis among and

between poor women, intermediary organizations and policymakers, as well as to engage poor women in meaningful policy dialogue.

The Government and the business sector can adopt several policies and measures aimed at promoting standards and quality, with a view to enhancing competitiveness. These may include establishing and/or improving supporting infrastructure (for example, appropriate testing, certification and accreditation facilities), dissemination of information, promoting cooperation between the Government and the business community and between retailers/importers and producers/exporters and special measures in favour of SMEs.

Awareness should be increased of the various standards in the export markets and the strengthening of infrastructure and capacity to comply with health and environmental standards in international markets and in regional trade.³⁰

7. Strategies and activities needed to address existing gender gaps at the national, regional and international levels

Below is a summary of strategic measures and activities that could be implemented to address the existing gender gaps at different levels. During the implementation, it will be necessary to distinguish between short- and long-term strategies.

7.1 Strategic objective No. 1: increase women's access

Increase women's access to credit facilities to reflect the needs and priorities of women with respect to type of project, age, location, product mix, size of activity and number of years in the business.

Actions to be taken:

Support and implement commitment made at the international, regional and national levels such as with AGOA, Doha, Beijing, PFA, WTO, Committee on the Elimination of Discrimination Against Women (CEDAW) and other relevant organizations:

- (a) Undertake studies to establish existing gender gaps with respect to women's access to credit facilities;
- (b) Incorporate in trade legislation the right to women's access to credit facilities with flexible collaterals such as group guarantee schemes, whereby a group or association can guarantee a credit facility;
- (c) Design and implement – in collaboration with community-based organizations (CBOs), faith-based organizations and civil society organizations (CSOs) – gender-sensitive programmes/projects, taking into consideration the needs of the majority of women who are involved in the informal sector and in particular disabled women. Consider needs arising from age, socio-economic and cultural differences/influence;
- (d) Enable women to access insurance facilities, as businesswomen/traders need to protect their business interests against losses from fire, theft, etc. Also, women need health insurance for themselves and their families. In most cases, women spend their business resources for medication and hospital bills when they get sick or when other members of the family get sick. The situation becomes worse during maternity (out of business), when a woman spends her entire savings, in most cases including the capital. As a result, she never grows in business, but starts all over again;
- (e) Provide more accessible, available and affordable primary health care services that include family planning information and services, including HIV/AIDS programmes;

³⁰ The recommendations were mostly derived from the Maragua case study.

- (f) Design programmes to develop and strengthen interpersonal business and communication skills among women to enable them to participate in various economic opportunities emerging during the globalization era;
- (g) Take appropriate measures to protect Third World businesswomen exporters/importers and manufacturers. Programmes should be designed from women's perspectives and with women's participation, taking into account their social cultural constraints and the economic levels;
- (h) Recognize and deal with negative impacts of globalization on women. Government – in collaboration with development partners, CBOs and NGOs – should address women's development as a strategic priority in funding;
- (i) Develop information programmes and services to assist women to understand and adapt/cope with changes brought about by trade liberalization (market chains);
- (j) Formulate special policies and design programmes that provide care and support to marginalized women, particularly from rural areas and the informal sector;
- (k) Ensure full and equal access to economic infrastructure and services to women, especially rural women. For instance, women often walk several kilometers, especially during rainy season, to look for markets, health care and other necessities.

7.2 Strategic objective No. 2: create an enabling business environment for women

Actions to be taken:

- (a) Give priority to both formal and informal business education programmes that support and enable women to develop self-esteem and knowledge to compete at the national, regional and international markets;
- (b) Improve and lower tariffs on power and water to make locally-produced products competitive;
- (c) Encourage and sensitize men to share equally in childcare and household work, and provide their share of financial support to their families;
- (d) Improve tax structure and simplify licensing procedures and documentation to make the informal sector comply without fear;
- (e) Regulate and implement trade liberalization selectively to avoid unfair competition and dumping;
- (f) Prepare and disseminate accessible information on available trade opportunities for women at all levels on a continuous basis;
- (g) Create and support entrepreneur educational programmes in workplaces and in the community to encourage men and women to overcome fears of engaging in trade activities;
- (h) Introduce resolutions to ensure that the working conditions for women entrepreneurs/traders are non-discriminatory and meet fair and professional standards to enable them work effectively.

7.3 Strategic objective No. 3: undertake gender-sensitive initiatives

Undertake gender-sensitive initiatives that address existing gaps in macro/meso policies:

- (a) Support studies to provide information on changes taking place as a result of implementing macro policies with respect to gender;
- (b) Develop mechanism to evaluate and disseminate research findings to policymakers, women, etc.;
- (c) Encourage women to involve themselves in new emerging non-traditional economic opportunities, for instance, services sector; tourism, finance and ICT;

- (d) Ensure the engagement/involvement of women in the design, implementation of macro/meso policies. Involve women in dialogue with policymakers and actors;
- (e) Organize workshops and tailor-made training programmes to various social groups on how to mainstream gender in trade activities;
- (f) Assist women to establish both their strategic (long-term) and practical gender needs so that they could be included in macro policies.

7.4 Strategic objective No. 4: promote research and disseminate information

Promote research and disseminate information:

- (a) Train researchers and introduce systems that allow for use of data collected, analysed and disaggregated by sex, age socio-economic, location, etc.;
- (b) Promote gender-focused and women-specific studies to establish successful stories for use in encouraging women. Document role models, especially those who grew from informal to formal business and to export. Also, develop mentors to share experiences and to coach others, especially beginners and those in the growth stage;
- (c) Coordinate research findings and use the information for developing affirmative actions for women economic empowerment;
- (d) Research and document role models and successful case studies.

7.5 Strategic objective No. 5: establish resources for monitoring and evaluation

Establish resources for monitoring and evaluation:

- (a) Increase budgetary allocation for trade and in particular women's trade;
- (b) Develop innovative/flexible funding arrangements;
- (c) Develop gender-sensitive tools for monitoring and evaluating changes taking place in the community at national level;
- (d) Prepare a database on traders;
- (e) Establish networks at different levels;
- (f) Set aside specific funds to support women.

7.6 Strategic objective No. 6: stimulate, sustain and support identified entrepreneurs

Stimulate, sustain and support methods¹ to identify entrepreneurs who can be developed through:

- (a) Entrepreneurship education;
- (b) Planned publicity for entrepreneurial opportunities;
- (c) Identification of potential entrepreneurs;
- (d) Create entrepreneurship forum;
- (e) Evolve locally suitable new product and processes;
- (f) Provide motivational training to new entrepreneurs.

8. ANNEX

A.1 Objective of the study

The overall objective of the study is to contribute to a regional study on the development of human and institutional capacities of Governments of sub-Saharan African countries and of national and regional institutions, with emphasis on how to mainstream gender into trade and development policies with reference to the East African experience.

A.1.1 Specific objectives

The study has the following four main specific objectives:

- (a) Enhance the capacity of trade negotiators in East Africa to mainstream gender in trade agreements under WTO and African Caribbean and Pacific Group of States–European Union trade negotiations;
- (b) Develop and strengthen capacities and capabilities of trade policymakers for formulating gender-sensitive trade and investment policies in support of poverty reduction and human development, with emphasis on developing their analytical and advisory skills;
- (c) Support increased participation of various stakeholders at national and regional levels, including research and academic institutions, in various processes related to negotiations for pro-poor policy formulation and implementation programmes;
- (d) Facilitate the institutionalization of organs to enhance effective participation of primary stakeholders, including CBOs, CSOs, NGOs, parliamentarians, and business sector and women’s organizations.

A.2 Terms of reference

Five items guided the study from the terms of reference:

- (a) Identification of key economic sectors of interest for East African countries with significant women’s participation (real potential) or with particular impact on women;
- (b) Main challenges and opportunities derived from current negotiations in the Doha round. It would identify economic (productive, trade) sectors with a significant involvement of women or the evolution of which would significantly affect women;
- (c) Gender-sensitive analysis of selected economic sectors in East Africa. Detailed analysis of why these sectors are particularly relevant for women, or what special contributions to the development of these economic opportunities can be or what impact the trade liberalization of these sectors can have on women;
- (d) Strengthening of women’s contribution to development by means of trade-related policies. Input: focus on tools and strategies to support the role of women as economic actors and entrepreneurs in order to build effective development strategies in key economic sectors of East Africa economies.
- (e) Summary of main findings and recommendations:
 - (i) Identification of strategies;
 - (ii) Obstacles;
 - (iii) Positive assets from East Africa;
 - (iv) Proposed set of activities at the national, regional and multilateral levels (technical cooperation and capacity-building at the institutional level) to reinforce capacities

of women in East Africa to empower them as both entrepreneurs and decision-makers.

A.3. Selected sectors and justification

Two sectors were selected – agriculture and the Informal sector.

The following information provides reasons for selecting these two sectors:

A.3.1 Agriculture

Agriculture is the traditional export sector and a mainstay of the economies of East African countries. The sector is not only a means of survival of the nations but central to Government's objective of achieving sustained economic growth and reducing poverty. Over 80 per cent of the population lives in rural areas with the majority dependent on agriculture, especially smallholder agriculture. In Kenya, agriculture employs more than two thirds of the labour force, and accounts for about 70 per cent of the export earnings. Overall, the smallholder subsector contributes about 75 per cent of the country's total employment within the agricultural sector. The Economic Survey shows that 51.6 per cent of the total Kenyan population consists of subsistence farmers. Of this, gender data indicates that, 68.8 per cent of the active subsistence farming population is female.³¹ Similarly in the United Republic of Tanzania and Uganda, the situation is the same. For instance, in the United Republic of Tanzania, the sector contributes 50 per cent of GDP, 60 per cent of export earnings and 84 per cent of employment. In Uganda it contributes 44 per cent of GDP, 85 per cent of export earnings, and provides employment and livelihood to 69 per cent of the population.³²

Likewise, in all the three countries, women provide the bulk of the labour in agriculture, accounting for 70–80 per cent of the rural labour force. The sector therefore provides the biggest source of employment, foreign exchange earnings and food security. Agriculture is also a priority sector in poverty reduction strategies in East Africa, and the focus is to improve the productive capacity of smallholder farmers (the majority of whom are women), and encouraging investment in agriculture. Development in this sector will contribute substantially to the well-being of people of East Africa, in particular women, children and the rural poor masses who depend on agriculture for their livelihood and hence raise the countries' GDP and alleviate poverty.

Agriculture is the backbone of the economies of East Africa with an average of over 80 per cent of the rural population dependent on this sector. Agriculture remains the main source of employment for 75 per cent of the population, contributing 50 per cent of GDP and 70 per cent of export earnings.³³ A majority of the people are in subsistence agriculture and the economy depends mainly on traditional commodities – coffee, cotton, tea, cashew nuts and pyrethrum – which are subject to fluctuating terms of trade, making the course of development unstable and unpredictable. The majority in the rural areas are smallholder farmers with small farm holdings with mixed farming of crops, animals and artisanal fishermen. They depend on rain-fed agriculture with low input/output technologies.

³¹ Government of Kenya (1998). Economic Survey. Government Printer. Nairobi.

³² An overview of Uganda trade policy presented during the review of EAC member States by WTO secretariat. Arusha. September. 2005.

³³ United Republic of Tanzania National Trade Policy background papers. Gender. P. 95. Ministry of Industry and Trade. 2003.

Women produce 70 per cent of food crops in East Africa, accounting for more than 90 per cent of all time spent processing and preparing food. African women constitute the majority of smallholders and provide the bulk of agricultural labour.³⁴ Much of women's food production is consumed in the home or traded in local markets. The nature of their agricultural activities is mainly subsistence for domestic consumption and a little surplus that they sell in local markets. At the policy level, the East African countries have the EAC Treaty on Cooperation in Agriculture Development. The main objective is the achievement of food security and rational agricultural production within the community. Strategies to implement the policy involve development and implementation of agricultural and rural development, harmonization and adoption of common agriculture policy that focuses on food self-sufficiency and establishes a system of early warning to manage food shortages.³⁵

A.3.2 Informal sector/MSEs

The informal sector is growing rapidly in response to the sharp falls of incomes and the exploding problems resulting from the implementation of SAP policies. Removal of guaranteed jobs for graduates, retrenchment from the civil service, restructuring of parastatal organizations and low absorption rate of increasing number of school leavers at all levels compound this situational problem. The informal sector is expected to be the immediate employer of the unemployed, the majority of whom happen to be women. Indeed, most people, young and old, are increasingly turning out to the informal sector either as employees or owners.

However, the involvement of large numbers of women in the so-called "informal sector" is a result of their low status in society and denial of opportunities in the formal sphere of employment. Women's low status is evidenced by their subordinate roles both at home and at the workplace. Within the formal sector, for example, women have fewer employment opportunities, lower wages and less job security than men.³⁶

In the light of the above experiences, the informal sector in East Africa has become a very important sector for women. It is believed that, the micro and small enterprises – both formal and informal – could play an important role not only in accelerating and broadening economic base for growth but it would also assist in reducing poverty and in particular income poverty. It would increase employment and broaden economic ownership particularly among women.

MSEs dominate the Kenyan private sector and only a small part of these organizations are formally registered, while the absolute majority belongs to the informal sector. The sector commands by far the largest increases in employment, and presently more than 90 per cent are women. Similarly in the United Republic of Tanzania, the informal sector is predominantly women. About 80 per cent of the female workforce is self-employed, with 53 per cent of them in the informal sector. In Kenya and Uganda, women own 46 per cent and 44 per cent of MSEs respectively. The sector is not only significant to economic empowerment of women, but the population at large, including youth, retrenched and the unemployed. In the United Republic of Tanzania and Kenya, 700,000 and 500,000 youths respectively, are thrown in the labour market every year, a majority of whom are absorbed in MSEs, particularly in the informal sector.

³⁴ FAO report (op cit.).

³⁵ Drogenary W.

³⁶ Nkinyangi J (1995). Management of social transformation main issues. Women and informal sector.

A.4 Scope of the study

The study covers only three East Africa countries: the United Republic of Tanzania, Kenya and Uganda. The analysis is limited to the agriculture sector, specifically subsistence agriculture/food production, which is the domain of women, and the informal sector, embracing microenterprises which are typical to the majority of women businesses. The evolution of economic reforms is used as a point of departure, to provide the basis for analyzing the causes and effects of the SAPs, including the impact of trade liberalization on women starting from mid 1980s, when East African countries started implementing the reforms. Documented research and case studies are used to provide practical solutions to counter the negative effects of economic reforms and address constraints to women businesses, including drawing strategies and actions at the national, regional and multinational levels.

A.5 Sources of data

The information used in the study was obtained mainly from using data from both published and unpublished reports available at the University of Dar es Salaam main library, the United Republic of Tanzania Gender Network Programme and WIC. Also used were secondary sources of data including information from literature review of studies, reports, journals and websites on economic reforms, documented research findings and case studies. Details of sources of data are as shown in the reference.

A.6 Limitations

Three main limitations were encountered in the course of preparing this paper:

- (a) Scanty literature: Data on gender in East Africa are scattered and not readily available in one source. Yet not much is documented on the subject matter.
- (b) Inadequate comparative case studies: It was difficult to obtain adequate comparative case studies on women economic issues.
- (c) Time: When working on the current terms of reference, the study coincided with very demanding official responsibilities, including meetings in preparation for the Hong Kong (China) negotiations, preparations for the new Government which started in December 2005, and traveling on trade missions.

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