



TEACHING MATERIAL ON  
**TRADE AND GENDER**

**VOLUME 1: UNFOLDING THE LINKS**

**MODULE 4B**

**TRADE AND GENDER LINKAGES: AN ANALYSIS OF THE SOUTHERN AFRICAN DEVELOPMENT COMMUNITY**



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**VOLUME 1**  
*Unfolding the links*

**MODULE 4B**  
*Trade and Gender Linkages:  
An Analysis of the Southern  
African Development  
Community*



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## READING

## NOTE

On 19 April 2018, Swaziland officially changed its name to Eswatini. The desk research, empirical work and editing of this module were completed in March 2018. Processing of the publication took place between April and May 2018 and, thus, the authors of the module refer to Eswatini as Swaziland.

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**MODULE 4B**  
*Trade and Gender Linkages:  
An Analysis of the Southern  
African Development Community*



## 1 Introduction

This module, which focuses on the Southern African Development Community (SADC), complements the three modules of Volume 1 of the teaching manual on trade and gender compiled by the United Nations Conference on Trade and Development (UNCTAD, 2014).<sup>1</sup> The teaching manual was developed as a tool to enhance the capacity of policymakers, civil society organizations, and academics to assess the gender impact of trade and trade policy and formulate gender-equitable policies.

Modules 1 to 3 in Volume 1 provide both theoretical and empirical overviews of the relationship between gender and trade. Module 1 explains how the economy can be examined from a gendered perspective, and introduces key indicators to measure gender inequalities; it also provides basic definitions and tools to measure trade and understand the gender-trade nexus. Module 2 presents the channels through which trade impacts women in their roles as workers, consumers, producers, traders, and taxpayers. Module 3 discusses the reverse relationship by examining how gender inequalities affect export competitiveness and trade performance.

These three modules have been followed by the development of teaching material focused on specific regional economic communities to illustrate how the framework presented in Modules 1 to 3 can be applied to examine the circumstances and institutions of the selected regions. Module 4 looks at the Common Market for Eastern and Southern Africa (COMESA), and Module 4a focuses on the East Africa Community (EAC).

The present study, Module 4b, applies the analytical grid developed in Modules 1 to 3 to the 16 member countries of SADC, which was established to foster political and economic development in the region. This module starts with a brief review of the institutional and economic development of SADC and an evaluation of the recent socio-economic performance of its member countries. It then analyses the gender profile of SADC countries, including a review of efforts towards gender mainstreaming in the region. The module proceeds to provide a sectoral analysis of the SADC economies. It examines agriculture, industry, and services, with a specific focus on the interplay between trade liberalization and gender equality and women's economic empowerment in each of these sectors. In the case of manufacturing, both microeconomic and macroeconomic data are used to estimate the effect of trade liberalization on women's employment.<sup>2</sup> The module concludes with a summary of the impact of trade liberalization on women in the SADC region.

At the end of this module, students should be able to:

- Interpret and apply various indicators of gender inequalities in the SADC region
- Identify the interactions between trade and gender-related economic outcomes
- Understand the methodology to evaluate the impact of trade integration on female employment
- Interpret the empirical findings on gender and trade to design gender-equitable policies.

### 1.1 The Southern African Development Community: Institutional development and economic outcomes

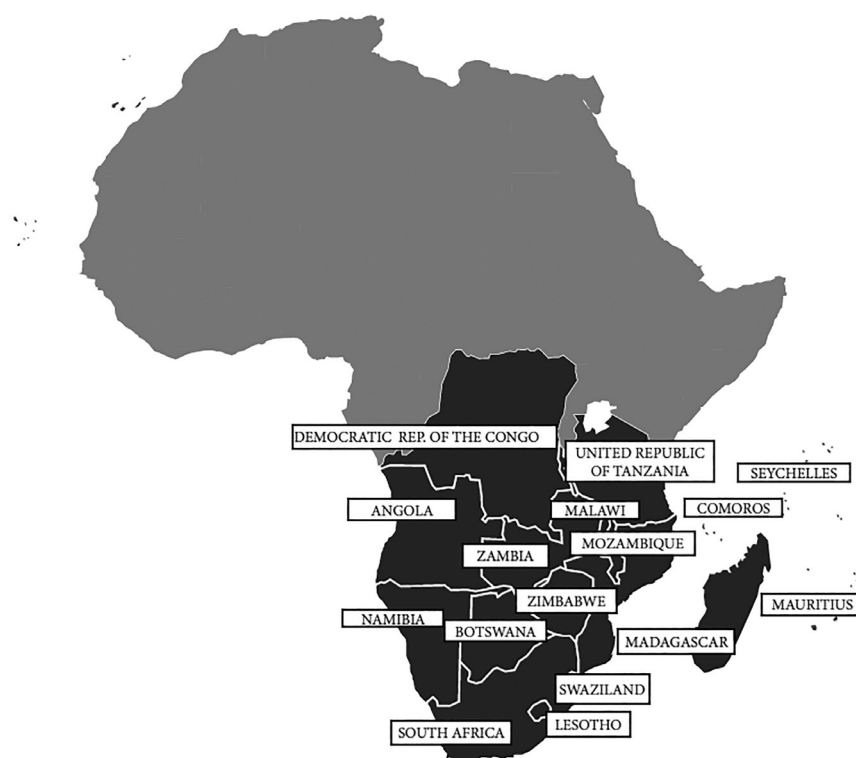
SADC was established in 1992 as a successor to the Southern African Development Coordination Conference, which was formed in 1980 to foster cooperation among its members against colonialism and against apartheid in South Africa. Following Namibia's declaration of independence in 1990 and the beginning of a constitutional change in South Africa, the new organization, SADC, was founded to promote deeper political and economic integration among its member countries.

As shown in figure 1, as of 2018 SADC has 16 member states: Angola, Botswana, Comoros, Democratic Republic of the Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, the United Republic of Tanzania, Zambia, and Zimbabwe.<sup>3</sup>

SADC's official Mission Statement states that the organization aims "to promote sustainable and equitable economic growth and socio-economic development through efficient, productive systems, deeper co-operation and integration, good governance, and durable peace and security, so that the region emerges as a competitive and effective player in international relations and the world economy."<sup>4</sup> One of the shared concerns that led to the creation of SADC was the need of its member countries to overcome their dependence on exports of a few primary commodities and transform their economies through institutional cooperation to ensure sustained growth and socio-economic development (SADC, 2001a).<sup>5</sup>

The Regional Indicative Strategic Development Plan (SADC, 2001a) outlined the following integration milestones of the region: a free trade area (FTA) in 2008, a customs union in 2010, a common market in 2015, an economic union in 2016, and a single currency in 2018. The realization of these targets, however, is lagging behind the

Figure 1

**The Southern African Development Community region**

scheduled targets; as of 2018, SADC has only achieved the first milestone, the formation of an FTA (i.e. intra-regional trade liberalization).

The SADC Free Trade Area, which began in 2001 with a schedule of intra-regional tariff reductions, met the minimum requirement of an FTA in 2008, with an estimated 85 per cent of intra-regional trade subject to zero duty. Twelve SADC countries at the time joined the FTA.<sup>6</sup>

With the goal of further expanding intra-regional trade and investment, the heads of state and government of the SADC signed the Tripartite Free Trade Area Agreement (TFTA) with COMESA and the EAC in 2015.<sup>7</sup> The TFTA was signed by 26 countries with a combined population of around 600 million people, close to half of the African population, and about 60 per cent of the continent's GDP. The agreement aims to deepen regional economic integration through the coordination of policies and programmes in the area of trade, customs, and infrastructure development (Júnior, 2016). As of August 2017, only eight countries ratified the agreement. The TFTA will enter into force when two-thirds of the members submit ratification.

In a recent development, leaders of 44 African countries (out of the 55 African Union member states) signed an agreement to create the African Continental Free Trade Area (AfCFTA) on 21 March 2018 in Kigali, Rwanda, marking a historic

milestone in the economic integration of the continent.<sup>8</sup> The agreement will enter into force once 22 states have ratified it. The formation of a free trade area covering Africa creates a single market of 1.2 billion people with a combined GDP of more than US\$2.5 trillion. All SADC countries signed the agreement to establish the AfCFTA. The main objective of the agreement is to create a single continental market for goods and services. It is also expected to expand intra-African trade through better harmonization and coordination of trade facilitation instruments. Ultimately, the AfCFTA would facilitate the exploitation of opportunities for scale production, continental market access, and better reallocation of resources. According to the United Nations Economic Commission for Africa, the AfCFTA has the potential to boost intra-African trade by 52.3 per cent by eliminating tariffs. Such a result could be doubled if non-tariff barriers were also reduced (Economic Commission for Africa, 2018). Phase 2 of the negotiations, expected to start at the beginning of 2019, will cover intellectual property rights, investment, and competition policies (TRALAC, 2018).

In June 2016, SADC expanded the process of liberalization by signing an Economic Partnership Agreement (EPA) with the European Union (EU), which is one of the SADC's main trading partners. South Africa accounts for the largest share of trade flows with the European Union.<sup>9</sup>

Due to the different level of development between the European Union and the SADC countries, the core of the SADC EPA lies in the asymmetric liberalization of trade barriers (European Commission, 2016), including:

- Preferential market access: The European Union has committed to open up its market more than the African countries that signed the EPA.
- Safeguards: SADC EPA countries are allowed to keep using protective measures towards their sensitive products (e.g. textiles), and the European Union agreed not to subsidize its agricultural exports to the region.
- Flexible rules of origin: Enterprises in the SADC EPA region are given flexibility in the use of foreign components while having free access to the European Union.
- Development: The European Union has complemented market access with development assistance to support sustainable development and poverty reduction.

The SADC countries that signed the EPA already have agreements in place with the European Union. For this reason, the EPA was not expected to substantially change current trade flows, as developing countries, Botswana, Namibia, and Swaziland had been provided with market access regulations since 2008.<sup>10</sup> Least-developed countries in the SADC region (Angola, Comoros, the Democratic Republic of the Congo, Lesotho, Malawi, Mozambique, the United Republic of Tanzania, and Zambia) have been exempted from import duties under the “Everything But Arms” Initiative. Trade flows between the European Union and South Africa have also been regulated by a bilateral trade agreement established in 2000. The EPA, however, strengthens these trade partnerships, and it is also the first agreement requiring the European Union to forfeit its subsidies to agricultural exports. In addition, it is important to note that the EPA only concerns trade in goods and excludes services, which by now constitute the economic driver of many SADC economies.

Table 1

The SADC region: Basic economic indicators				
	2000	2005	2010	2015
Total population (millions)	217.21	245.76	280.43	321.46
Annual GDP growth (per cent)	0.81	6.17	5.47	4.21
Trade (per cent of GDP)	54.91	61.39	73.34	68.12
Gross national income per capita (constant 2011 international US\$)	2504	3050	3713	4195

Source: Calculations by the UNCTAD secretariat based on data from the World Bank’s World Development Indicators database (accessed on 14 March 2017).

Notes: The data are weighted by the population of the member countries. Trade is measured by the sum of the value of exports and imports. SADC: Southern African Development Community.

Table 1 shows how key economic and social indicators evolved in the SADC region after 2000. With a combined population of over 321 million, SADC is one of the most populous regions in Africa. As shown in table 1, average annual growth in the region increased substantially between 2000 and 2005, then slowed afterwards.<sup>11</sup> Slow economic growth in the United States of America and the European Union following the 2008–2009 global economic crisis, combined with the economic slowdown of the People’s Republic of China, are the primary drivers of SADC’s economic performance.

Following slow economic growth in the major trading partners, the degree of openness of the region (measured by the ratio of the sum of exports and imports to GDP) shrank as well, declining from 73 per cent in 2010 to 68 per cent in 2015. The SADC’s trade openness, however, remains above sub-Saharan Africa (58.6 per cent) and the average for low-to-middle-income countries (48 per cent), according to the World Bank’s 2017 World Development indicators database.

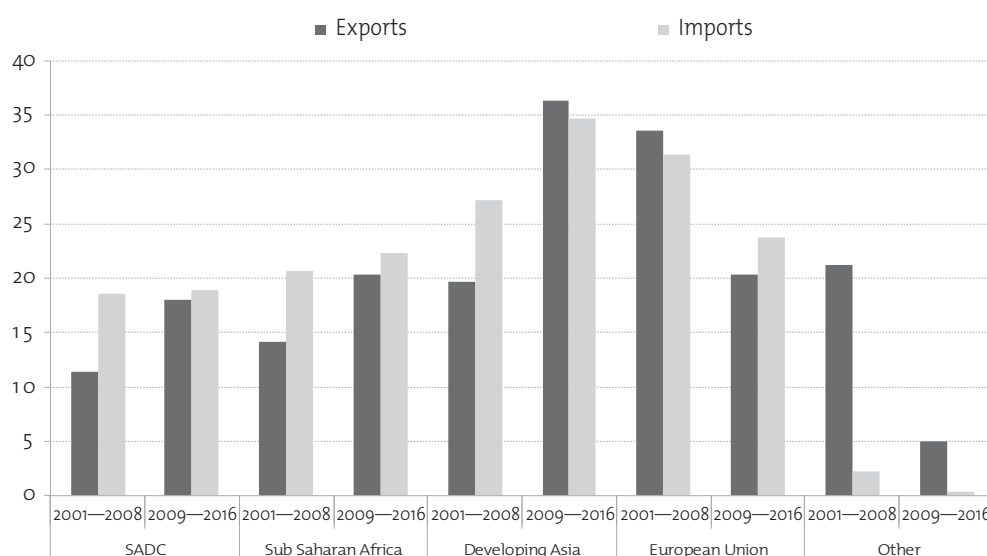
The evolution of gross national income (GNI) per capita – expressed in constant 2011 international

dollars – indicates the magnitude of welfare gains between 2000 and 2015. GNI per capita increased from US\$2,504 in 2000 to US\$4,195 in 2015, which corresponds to an annual average increase of 4.2 per cent, according to the World Bank’s 2017 World Development Indicators database.<sup>12</sup>

Intra-regional trade has increased in the post-2000 era, that is, after the beginning of trade liberalization in the region. Intra-SADC trade, however, remains low in comparison to the European Union, the North America Free Trade Agreement, and the Association of Southeast Asian Nations, and is dominated by South Africa (Tanyanyiwa and Hakuna, 2014; Chidede, 2017). The value of intra-SADC trade in 2016 was about US\$30 billion, according to the 2017 UNCTADstat database. As most SADC countries still depend on the export of primary commodities, formal intra-regional trade is dominated by petroleum, oils, and food. Botswana and Namibia account for the largest share of intra-SADC imports, while South Africa, Botswana, Swaziland, and Zimbabwe account for the bulk of intra-SADC exports (Bank of Tanzania, 2013).

As illustrated in figure 2, the formation of the SADC FTA in the context of a major crisis and

Figure 2

**Geographic composition of SADC trade, 2001–2008 and 2009–2016 (per cent shares)**

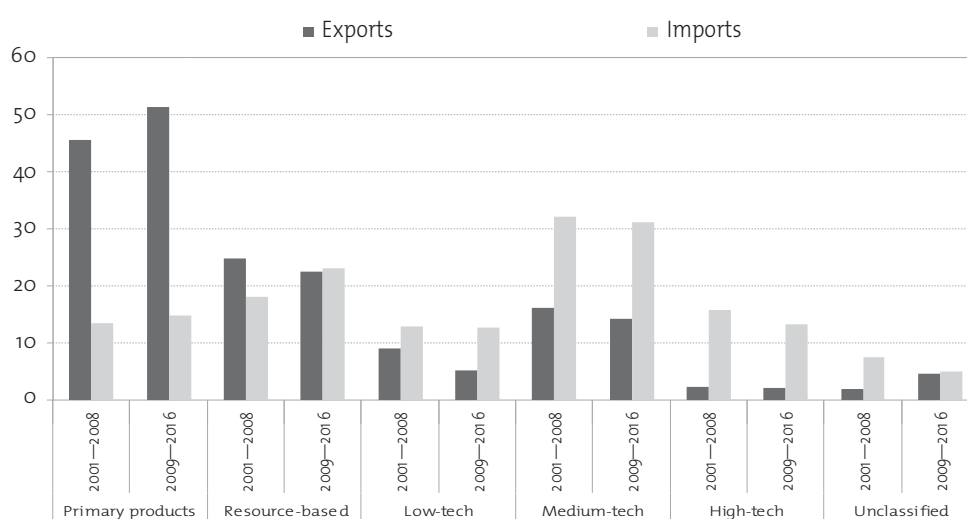
Source: UNCTADstat Database (accessed on 17 August 2017).

Note: SADC: Southern African Development Community.

subsequent slow growth in the European Union and the United States has been associated with a major shift from industrialized countries to developing countries as main trading partners. Comparing the geographic composition of trade for the period 2001–2008 with the period 2009–2016 (before and after the formation of the SADC FTA, which also coincides with comparing trade before and after the global financial crisis), the trade shares with the European Union and the “Other” category (primarily represented by the

United States) significantly shrank in favour of a large increase in the trade share within SADC, with other sub-Saharan African countries, and with Developing Asia<sup>9</sup> (especially the People's Republic of China). In this process of geographic restructuring of trade, SADC now runs a trade deficit with the European Union (with which it used to run a surplus) and runs a trade surplus with Developing Asia (with which it used to run a trade deficit). Developing Asia is now the SADC's largest partner for both exports and imports.

Figure 3

**Sectoral composition of SADC trade, 2001–2008 and 2009–2016 (per cent shares)**

Source: UNCTADstat database (accessed on 18 August 2017).

Note: According to the Lall (2000) classification, primary products are agricultural and mining products; resource-based manufactures are agro-based and other resource-based products; low-technology manufactures are textiles, garments, footwear, etc. products; medium-technology manufactures are products made in automotive, process, and engineering industries; high-technology manufactures are electronic and electrical products; and unclassified products are unspecified commodities and transactions. SADC: Southern African Development Community.

As shown in figure 3 and table 2, the major items exported by the SADC to the rest of the world consist of primary products (e.g. coal, manganese ores, platinum, and precious metals and diamonds), and resource-based manufactured goods (e.g. items for the automotive industry, clothing and textiles, and tobacco). Primary products now constitute more than 50 per cent of the total value of SADC's exports. In recent years, the export share

(calculated as a percentage of the value of total exports) of primary products increased, while the shares of resource-based products and other types of manufactures shrank. Parallel to this trend, SADC is now a net importer of resource-based and other manufacturing products. The major challenge for most SADC countries is to successfully reduce their dependence on primary commodities and develop a strong manufacturing sector (REDI, 2015).

Table 2

Exported and imported manufacturing products of SADC countries		
Countries	Exported manufacturing products	Imported manufacturing products
Angola	Crude petroleum, diamonds, coal tar oil, refined petroleum, petroleum gas	Ships, machinery, cars, iron pipes, valves
Botswana	Diamonds, nickel mattes, insulated wire, meat	Diamonds, refined petroleum, medications, cars, electricity
Congo, Dem. Rep. of	Copper and cobalt products	Medications, refined petroleum, trucks, human and animal blood, machinery
Lesotho <sup>a</sup>	Textiles and garment products, leather products, electronics, beverages	Petroleum products, furniture, cosmetics, poultry, motor vehicles and accessories
Madagascar	Vanilla, raw nickel, cloves, garments, crustaceans	Refined petroleum, rice, medications, trucks and cars
Malawi	Raw tobacco, dried legumes, raw sugar, tea, raw cotton	Refined petroleum, medications, fertilizers, and wheat
Mauritius	Processed fish, raw sugar, garments,	Refined petroleum, unprocessed fish, cars, medications, broadcasting equipment
Mozambique	Aluminium products, electricity, coal briquettes, beverages	Refined petroleum, raw aluminium, medications, electricity, and trucks
Namibia	Diamonds, copper ore, unprocessed fish, gold, uranium, thorium ore	Refined petroleum, diamonds, trucks, cars, raw copper
Seychelles	Processed and unprocessed fish, refined petroleum, boats, rolled tobacco	Boats, unprocessed fish, refined petroleum, plastic products, cars
South Africa	Platinum, cars, coal briquettes, iron ore, ferroalloys	Crude and refined petroleum, cars, broadcasting equipment
Swaziland <sup>b</sup>	Beverages, sugar, timber, cotton yarn, refrigerators, citrus, canned fruits	Motor vehicles, machinery, transport equipment, petroleum products, chemicals
United Republic of Tanzania	Gold, raw tobacco, nuts, precious metal ores, glass bottles	Refined petroleum, palm oil, medications, cars, wheat
Zambia	Raw and refined copper, raw tobacco, corn, cobalt	Refined and crude petroleum, copper and cobalt ores, cobalt oxides, hydroxides
Zimbabwe	Raw tobacco, gold, nickel ore, ferroalloys, diamonds	Refined petroleum, corn, electricity, medications, soybean oil

Source: Unless otherwise stated, the data are from the Observatory of Economic Complexity (OEC) website, which is available at <https://atlas.media.mit.edu/en/> (accessed on 29 October 2017).

Note: The data collected by the OEC show products as of 2015. SADC: Southern African Development Community.

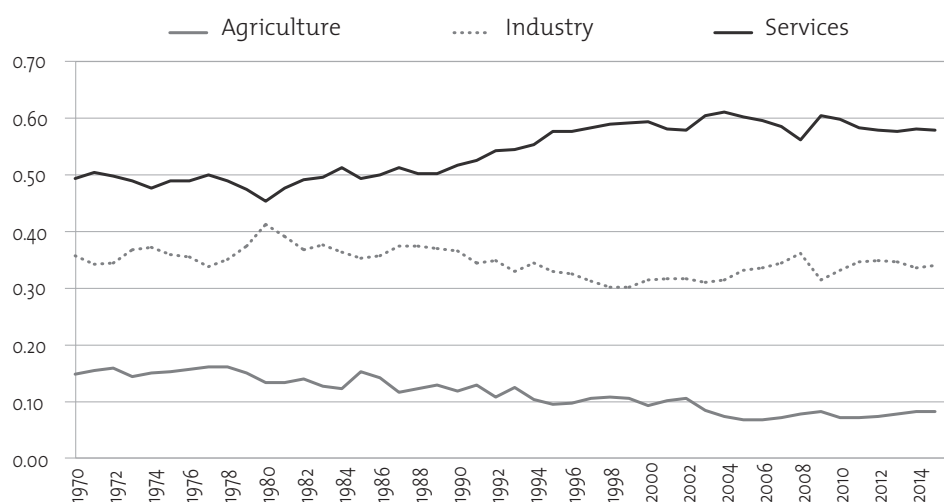
<sup>a</sup> Data from the United Nations Comtrade and Service Trade databases.

<sup>b</sup> Data from the CIA World Factbook.

As shown in figure 4, in recent decades and especially since the beginning of globalization in the early 1980s, the economic composition of the SADC region went through a significant shift. The contribution of agriculture has almost halved since 1970; in 2015, it contributed less than one-tenth of the SADC's value added. The service sector is now the single largest economic driver, making up around 60 per cent of the economy in the region. The industry component as a share of

regional output has slightly declined.<sup>14</sup> To boost industrialization, the SADC Industrialisation Strategy and Roadmap (2015–2063) has become the region's blueprint to support industrial competitiveness and technological innovation. Behind this strategy lies the view that trade liberalization can promote sustainable development and reduce poverty and inequality only if accompanied by new industrial capabilities (SADC, 2015a).

Figure 4

**Sectoral contribution to value added in the SADC, 1970–2015 (per cent)**

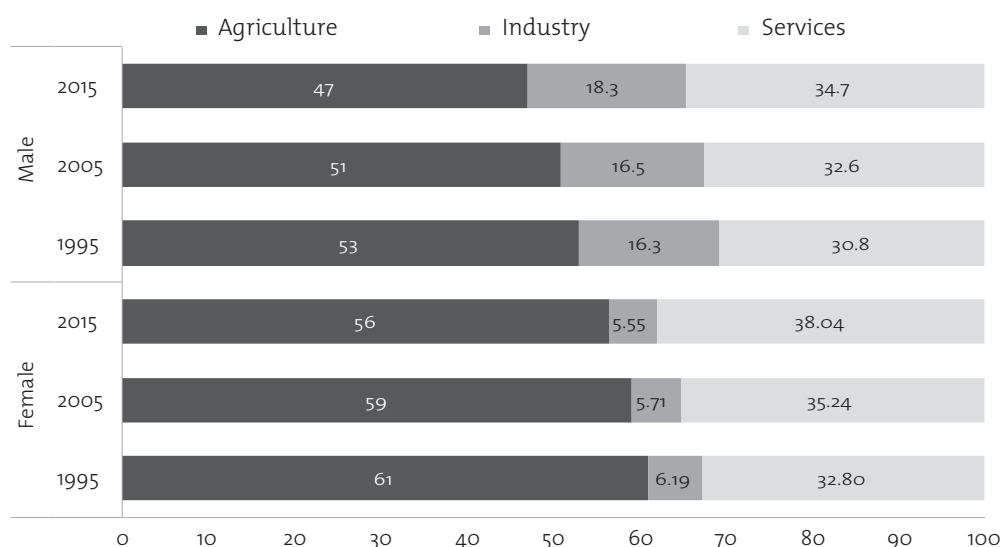
Source: UNCTAD secretariat based on UNCTADstat (accessed on 18 October 2017).

Note: SADC: Southern African Development Community.

Parallel to this structural transformation, the composition of employment changed as well. Figure 5 shows the percentage shares of male and female employment in agriculture, industry, and services in 1995, 2005, and 2015. As the role of agriculture declined and the role of services expanded, the shares of both men and women employed in agriculture shrank while their respective shares employed in

services increased. Nonetheless, agriculture remains of primary importance for men's and especially for women's employment (further discussed in Section 2). Interestingly, over the course of economic integration, the employment share of women in industry declined, while the corresponding share for men increased (a major driver of this outcome is male dominance in mining).

Figure 5

**Sectoral composition of the workforce by sex, SADC, 1995, 2005, and 2015 (per cent)**

Source: World Bank, World Development Indicators database (accessed on 28 August 2017).

Note: SADC: Southern African Development Community.

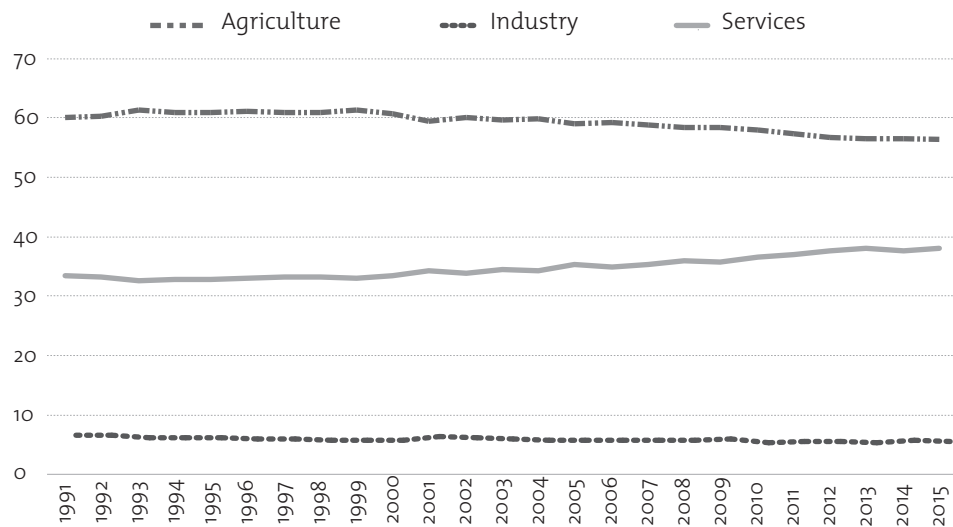
Consistent with the heterogeneity of the SADC countries, employment composition (and its changes over time) varies across member countries. For example, the percentage of women employed in agriculture in 2015 ranged from 3.8 per cent in South Africa to over 75 per cent in the Democratic Republic of the Congo, Madagascar, and Malawi. A similar outcome applies when looking at the employment composition of industry and services in the different countries. Sections 2-4 will provide an

in-depth examination of the economic structure of the SADC region, with a special focus on the interplay between trade and women’s well-being.

As indicated in both figure 5 and figure 6, in SADC agriculture remains the primary source of employment for women. Figure 6 shows that it is only since the early 2000s that women have shifted away from agriculture towards services, while the female share of employment in industry has shown a slight contraction.<sup>15</sup>

Figure 6

Evolution of female employment in SADC, 1991–2015 (per cent)



Source: ILO (2017).  
 Note: SADC: Southern African Development Community.

**1.2 The SADC countries: A socio-economic overview**

Table 3 presents the most recent available data that allow for evaluating the economic profile of the SADC countries. Figure 6 illustrates the GDP share of each member country, which points to the relative size of the economies involved.

As illustrated in figure 7, South Africa is the largest economy, contributing about half of the region’s GDP, followed by Angola, which contributes close to 20 per cent. Seychelles, Lesotho, and Swaziland are the smallest economies. Many SADC countries have large populations or high population density. The Democratic Republic of the Congo, South Africa, and the United Republic of Tanzania are the most populous countries. Given land size, Mauritius, Seychelles, and Malawi face the greatest demographic pressure in the region. In terms of standards of living, Seychelles, Mauritius, and South Africa have the highest GDP per capita; in contrast, the Democratic Republic of the Congo, Madagascar, Malawi, and Mozambique have the lowest GDP per capita.<sup>16</sup>

Income inequality tends to be an issue for many SADC countries. The Gini Index is the most widely used indicator of inequality, ranging from 0 (perfect equality) to 100 (extreme inequality). A value above 40 is often seen as a threshold beyond which inequality is considered high enough to be able to generate political and social instability. South Africa, Namibia, and Botswana are among the most unequal countries in the world, with Gini Indexes above 60. Mauritius, Madagascar, and the United Republic of Tanzania are the only SADC countries with a Gini Index below 40. It is estimated that the level of economic inequality in sub-Saharan Africa countries is second to only Latin America worldwide (ISSC, IDS, and UNESCO, 2016).

Poverty remains one of the most urgent issues in the SADC region. In six of 15 member countries (Democratic Republic of the Congo, Lesotho, Madagascar, Malawi, Mozambique, and Zambia), over half of the population lives on less than US\$1.90 per day, based on purchasing power parity. The poor are unable to adequately access health care and medications, which leads

Table 3

Economic profiles of SADC member countries						
	Population (millions)	Population density (people per square km)	GDP (billions of constant 2010 US\$)	GDP per capita (constant 2010 US\$)	Gini Index	Poverty headcount ratio (per cent of the population) <sup>a</sup>
Angola	28.8	23.1	103.9	3,606.4	42.7 (2008)	30.1 (2008)
Botswana	2.3	4.0	16.6	7383	60.5 (2009)	18.2 (2009)
Congo, Dem. Rep.	78.7	34.7	30.5	387.4	42.1 (2012)	77.1 (2012)
Lesotho	2.2	72.6	3.06	1,387.5	54.2 (2010)	59.7 (2010)
Madagascar	24.9	42.8	10.4	415.8	35.8 (2012)	77.8 (2012)
Malawi	18.1	191.9	8.7	481.6	46.1 (2010)	70.9 (2010)
Mauritius	1.3	622.4	12.4	9,812.5	35.8 (2012)	0.53 (2012)
Mozambique	28.8	36.7	14.9	515.4	45.6 (2008)	68.7 (2008)
Namibia	2.5	3.0	14.9	6,020.9	61.0 (2009)	22.6 (2009)
Seychelles	0.09	205.8	1.3	13,963.6	46.8 (2013)	1.1 (2013)
South Africa	55.9	46.1	419.6	7,504.3	63.4 (2011)	16.6 (2011)
Swaziland	1.3	78.1	5.3	3,911.4	51.5 (2009)	42.0 (2009)
United Republic of Tanzania	55.6	62.7	46.7	867.0	37.8 (2011)	46.6 (2011)
Zambia	16.6	22.3	26.9	1,622.4	55.6 (2010)	64.4 (2010)
Zimbabwe	16.2	41.8	14.7	908.9	43.2 (2011)	21.4 (2011)

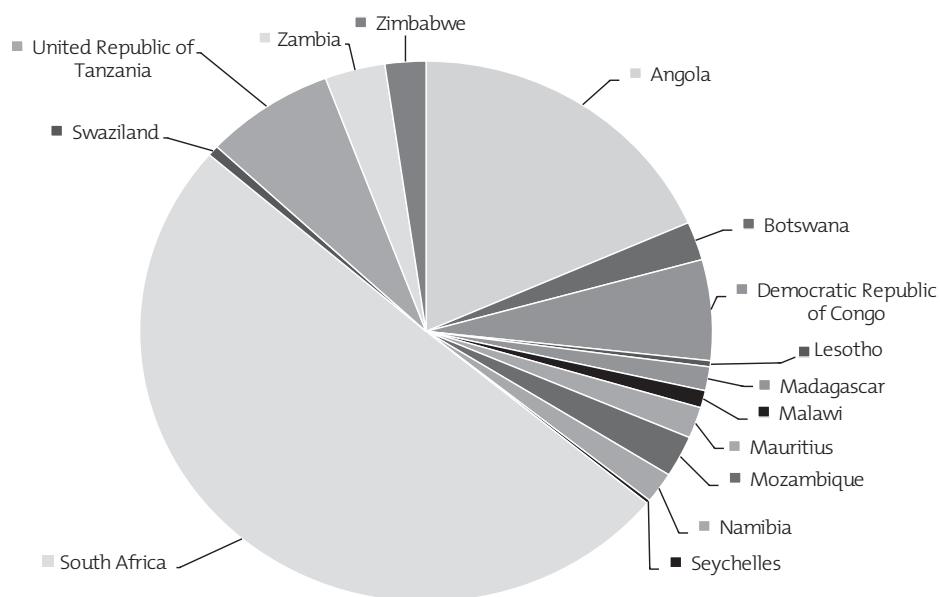
Source: World Bank, World Development Indicators database (accessed on 15 August 2017).

Note: The data refer to 2016 unless otherwise specified. SADC: Southern African Development Community.

<sup>a</sup> The poverty headcount ratio is the percentage of the population living on less than US\$1.90 a day, based on 2011 US\$.

Figure 7

### Shares of SADC GDP by member country, 2016 (per cent)



Source: World Bank, World Development Indicators database (accessed on 16 August 2017).

Note: SADC: Southern African Development Community.



Table 4

Human development in the SADC countries, 2015			
Country	Human Development Index (HDI)	HDI (rank)	Level of human development
Angola	0.533	150	Low
Botswana	0.698	108	Medium
Congo Dem. Rep.	0.592	135	Medium
Lesotho	0.497	160	Low
Madagascar	0.512	158	Low
Malawi	0.476	170	Low
Mauritius	0.781	64	High
Mozambique	0.418	181	Low
Namibia	0.640	125	Low
Seychelles	0.782	63	High
South Africa	0.666	119	Medium
Swaziland	0.541	148	Low
United Republic of Tanzania	0.531	151	Low
Zambia	0.579	139	Medium
Zimbabwe	0.516	154	Low

Source: UNDP (2016a).

Note: SADC: Southern African Development Community.

to the spread of diseases explicitly linked to extreme poverty, such as HIV/AIDS, malaria, and tuberculosis. These diseases are now the leading cause of morbidity and mortality across the SADC.

Table 4 presents an overview of the level of human development in the region, as presented in the United Nations Development Programme's 2016 *Human Development Report* (UNDP, 2016a). The report's Human Development Index (HDI) measures the state of three key dimensions of a country's human development: education, health, and standards of living.<sup>17</sup> According to the value of the index, the 188 countries for which the HDI is calculated are ranked and assigned a level of human development (ranging from very high to low).

Only two SADC countries (Seychelles and Mauritius) are in the high human development group; four countries (Botswana, the Democratic Republic of the Congo, South Africa, and Zambia) are in the medium group; and the remaining nine countries (Angola, Lesotho, Madagascar, Malawi, Mozambique, Namibia, Swaziland, the United Republic of Tanzania, and Zimbabwe) are in the low group.<sup>18</sup> As indicated in UNDP (2016a), progress in human development requires policy intervention and inclusive economic growth to ensure that gains in well-being are shared with marginalized and vulnerable people (including by investing in women and girls).

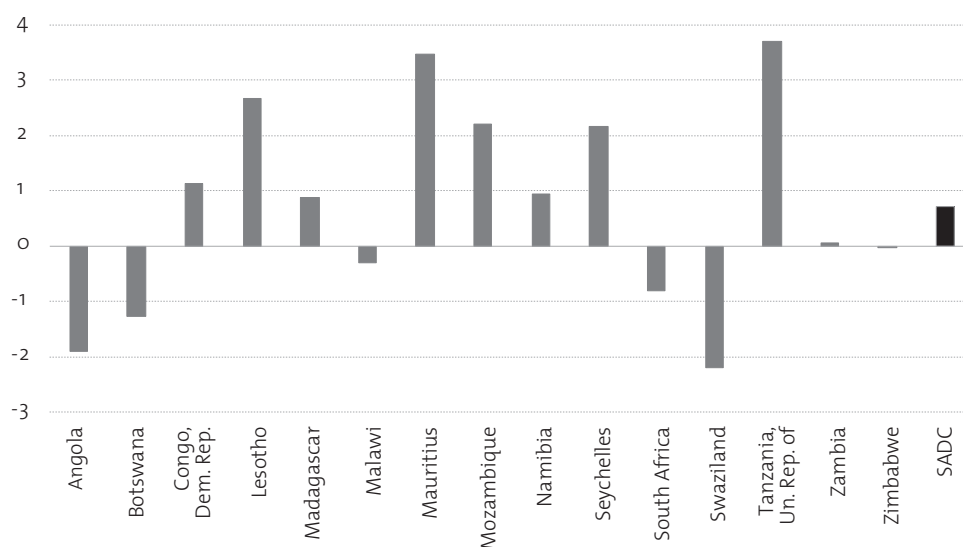
In terms of economic performance, after the 2008/2009 global financial crisis, the SADC region faced an economic decline. The average economic growth rate in the region steadily declined from 4.2 per cent in 2010 to 1.5 per cent in 2016, according to the 2017 UNCTADstat database. This outcome is the result of two primary factors: first, slow economic growth in advanced economies compounded by the slowdown in emerging countries (especially the People's Republic of China); and second, a decline in commodity prices that affected international markets between mid-2014 and 2016 (and that particularly affected economies that depend on commodity exports) (AfDB, OECD, and UNDP, 2017).<sup>19,20</sup>

Figure 8 shows average annual growth rates in per capita GDP in the SADC countries from 2014 to 2016. The figure illustrates the wide diversity of welfare gains generated by each of the SADC countries. Mauritius and the United Republic of Tanzania recorded the largest gains, while Angola, Botswana, Swaziland, Malawi, and South Africa experienced net losses.

Figure 9 illustrates the GDP shares of agriculture, industry (including mining, manufacturing, utilities, and construction), and services for the 15 SADC member countries that are examined in this module. With the exception of the Democratic Republic of the Congo, services are the leading source

Figure 8

## Average growth rate of GDP per capita, 2014–2016 (constant 2010 US\$)



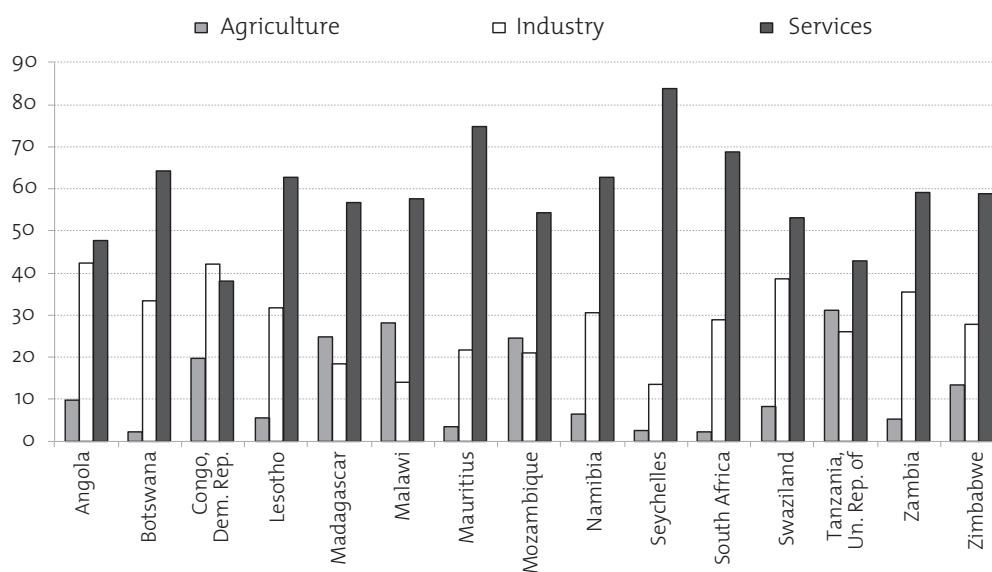
Source: World Bank, World Development Indicators database (accessed on 16 August 2017).

of economic growth for all SADC countries. The GDP share of services is even as high as 84 per cent and 75 per cent for Seychelles and Mauritius, respectively. Agriculture contributes a considerable share of GDP in the United Republic of Tanzania (31 per cent) and Malawi (28 per cent) and continues to account for a large share as well in Madagascar and Mozambique (over 20 per cent). Mining is a dominant activity

in many countries of the region and is an important source of export revenue for Angola (oil and diamonds), the Democratic Republic of the Congo, Botswana, Zimbabwe, Namibia, South Africa, and Zambia. It is estimated that about half of the world's vanadium, platinum, and diamonds, along with over one-third of the world's gold and about one-fifth of its cobalt, come from the SADC region.<sup>21</sup>

Figure 9

## Sectoral structure of economic activity, 2015 (share of GDP in per cent)



Source: SADC (2015b).

Note: Malawi's GDP shares refer to 2012 (the latest year available for this country).

### 1.3 Gender analysis of the SADC region

As explained in Module 1, an economy is embedded in a system of social relations that are shaped by social values and social institutions. Consequently, the notion of “gender” – referring to the roles, characteristics, and behaviours assigned by a society to men and women – is a socially constructed category that can vary both historically and across countries. Women frequently face gender bias, which means that they are in a situation of disadvantage (with respect to men) in the society, the economy, and the household.<sup>22</sup> Women are often found to hold asymmetric decision-making power and to be responsible for the lion’s share of unpaid activities (i.e. care work and housework). In the labour market, women typically face job segregation and wage inequality. A relevant economic analysis must examine an economy as a “gendered structure,” which means examining both the productive and reproductive (or unpaid<sup>23</sup>) spheres of the economy<sup>24</sup> and uncovering gender disparities with political and economic significance.

The following sections discuss the gender profiles of the SADC countries. These profiles include both an evaluation of gender-related outcomes (i.e. gender-based indicators of social development and economic participation) and gender-related inputs (i.e. the institutional framework supporting gender equality and women’s empowerment).<sup>25</sup> The obstacles and patterns of gender inequalities have important consequences for competitiveness

and productivity. In fact, as explained in Module 3, women tend to play the double role of “under-achievers of competitive advantage” (as producers) and “sources of competitive advantage” (as wage workers) under trade reforms. Removing gender inequalities fulfills a human right and is critical to promoting human development. UNDP (2016b) finds that when gender inequalities become more severe, human development is negatively impacted.

#### 1.3.1 Gender-related outcomes<sup>26</sup>

As discussed in the United Nations Development Programme’s *Africa Human Development Report 2016* (UNDP, 2016b), gender inequalities are still pervasive in African countries. The report estimates that on average women in Africa attain 87 per cent of men’s human development level.

Table 5 presents some key indicators of gender inequalities for the SADC countries, which are presented in UNDP’s *2016 Human Development Report* (UNDP, 2016a). The Gender Inequality Index (GII) evaluates gender-based inequalities in three dimensions: (a) reproductive health, measured by maternal mortality and adolescent birth rates; (b) empowerment, measured by the share of parliamentary seats held by women and attainment in secondary and higher education; and (c) economic activity, measured by the labour market participation rate for women and men.<sup>27</sup> The closer the GII is to zero, the higher the degree of gender equality. The level of gender inequality observed in sub-Saharan countries is among the

Table 5

Indicators of gender inequalities, 2015								
Country	Gender Inequality Index (GII)	Gender Inequality Index (GII) (Rank)	Mean years of schooling		Estimated gross national income per capita (in 2011 PPP US\$)		Labour force participation rate (per cent, ages 15-64)	
			Female	Male	Female	Male	Female	Male
Angola	–	–	–	–	5,073	7,527	64.7	77.8
Botswana	0.435	95	9.2	9.5	13,278	16,050	75.1	82.8
Congo, Dem. Rep.	0.592	153	4.0	8.1	599	761	71.5	73.5
Lesotho	0.549	132	7.0	5.3	2,631	4,020	60.5	74.8
Madagascar	--	--	6.7	6.1	1091	1,549	88.0	91.1
Malawi	0.614	145	3.8	5.0	972	1,175	84.3	80.9
Mauritius	0.380	82	8.8	9.5	10,540	25,539	49.3	80.3
Mozambique	0.574	139	2.5	4.6	1,016	1,184	85.9	82.6
Namibia	0.474	108	6.9	6.5	7,971	11,667	56.9	65.3
Seychelles	–	–	–	–	–	–	–	–
South Africa	0.394	90	10.2	10.5	8,795	15,489	49.2	64.3
Swaziland	0.566	137	6.4	7.2	5,078	10,020	45.7	73.3
United Republic of Tanzania	0.544	129	5.4	6.2	2,359	2,576	89.9	91.1
Zambia	0.526	124	6.4	7.4	2,803	4,126	73.3	85.9
Zimbabwe	0.540	126	7.3	8.2	1,360	1,822	84.9	90.8
SADC	–	–	5.4	6.9	3,099	4,794	73.8	79.2

Source: UNDP (2016a).

Note: The aggregate values for the Southern African Development Community (SADC) have been calculated by the UNCTAD secretariat weighing the countries by population levels. PPP: purchasing power parity.

highest in the world, trailing only the Middle East and North Africa. Among the SADC countries for which this indicator is available, the GII is especially high in the Democratic Republic of the Congo, Lesotho, Malawi, Mozambique, and Swaziland (all of which are in the low human development group). In contrast, based on the GII, Mauritius, Botswana, and South Africa have the least gender disparity in the region. UNDP (2016b) estimates that there is an inverse relationship between the GII and HDI; as gender inequalities worsen (as measured by an increase in the GII, human development (as measured by a decrease in the HDI) declines.<sup>28</sup>

As indicated in table 5, there are important disparities in education, per capita income, and labour force participation rates between men and women in the SADC countries. When looking at the number of years of education for persons 25 and older, on average women are disadvantaged. Women's mean years of schooling are well below men's in the Democratic Republic of the Congo and Mozambique. School attainment is higher for women only in Lesotho, Madagascar, and Namibia.

In all member states, men's estimated GNI is higher than that for women. In the SADC region, on average, per capita male GNI is about 55 per cent higher than the corresponding figure for women. Based on data reported by the UNDP's 2016 *Human Development Report*, the percentage difference between men's and women's GNI in SADC countries ranges from 9 per cent in the United Republic of Tanzania to 142 per cent in Mauritius.

With regard to labour force participation rates, the gender difference in the region as a whole is quite limited (about 5 per cent), but there is considerable variability across member countries. The lowest female labour force participation rates are in Swaziland (45.7 per cent), South Africa (49.2 per cent), and Mauritius (49.3 per cent). In contrast, in Madagascar, Mozambique, and the United Republic of Tanzania and Zimbabwe, the female participation rates in the labour force exceed 85 per cent.

Table 6 provides an indication of the numbers and percentages of men and women employed in the informal sector (related to non-agricultural employment) in those SADC countries for which data are available.<sup>29</sup> Informal employment constitutes a relatively small share of total employment in Mauritius and South Africa. In contrast, in Lesotho, Madagascar, the United Republic of Tanzania, Zambia, and Zimbabwe, informal employment constitutes a large percentage of total employment. In Lesotho and the United Republic of Tanzania, the female and male shares are quite similar, while in Madagascar, Zambia, and Zimbabwe women's employment in the informal sector is well above that of men. Data on informal employment are not collected regularly, which explains why complete and updated figures are unavailable. It is estimated, however, that most individuals working in the informal sector in the SADC region are women (Mirand, 2015). This may be due to a lack of skills and education, women's unpaid responsibilities, or simply the inability of women to access other job opportunities. As noted in the SADC Advocacy Strategy on Informal Cross Border Trade (ICBT), the informal economy essentially constitutes a safety net for the unemployed in the region (SADC, 2011).

Many countries in the SADC region have no legal or policy frameworks targeting the informal economy. When measures are present, they fail to address the specific needs of women and the gender relations at stake (Mwaba, 2010; Steyn, 2011). This leaves women exposed to sexual harassment and abuse. In addition, women in the informal sector (e.g. street vendors and cross-border traders) typically have less access to finance than men. In turn, this prevents women from being able to expand their businesses, which contributes to perpetuating gender disparities. Women in the informal sector often also lack proper infrastructure (e.g. roads, toilets, garbage collection, water and sewage), which impacts their economic activities, health, and rights (Mirand, 2015).

Table 6

Informal employment, by sex			
Country	Sex	Persons employed in the informal sector	
		Number	Per cent of non-agricultural employment
Lesotho (2008)	Female	94,000	48.1
	Male	131,000	49.9
Madagascar (2005)	Female	528,000	63.8
	Male	365,000	40.7
Mauritius (2009)	Female	14,000	6.7
	Male	43,000	10.6
South Africa (2010)	Female	922,000	16.8
	Male	1,303,000	18.6
United Republic of Tanzania (2005/2006)	Female	1,006,000	49.8
	Male	1,347,000	53.2
Zambia (2008)	Female	357,000	70.3
	Male	497,000	60.9
Zimbabwe (2004)	Female	360,000	53.1
	Male	338,000	31.2

Source: ILO (2012).

It is important to note that, for any social or economic aspect that is evaluated, the international ranking varies depending on the indicators that are used for the evaluation. Thus it is critical to be aware of how indicators are constructed. This also holds for SADC countries when compared based on gender disparities. For example, the ranking of the SADC countries

changes (even radically) if the Global Gender Gap Index (GGGI) is used in place of the GII. The GGGI has been calculated by the World Economic Forum (WEF) since 2006 and is based on four categories, each of them calculated using multiple indicators: (1) economic participation and opportunity; (2) educational attainment; (3) health and survival; and (4) political empowerment.<sup>30</sup>

Table 7

Country	Global Gender Gap Index, 2006 and 2017	
	2006 ranking <sup>a</sup>	2017 ranking <sup>b</sup>
Angola	96	123
Botswana	34	46
Congo, Dem. Rep.	...	...
Lesotho	43	73
Madagascar	84	80
Malawi	81	101
Mauritius	88	112
Mozambique <sup>c</sup>	43	29
Namibia	38	13
Seychelles	...	...
South Africa	18	19
Swaziland <sup>d</sup>	...	105
United Republic of Tanzania	24	68
Zambia	...	...
Zimbabwe	76	50

Source: Compiled by the UNCTAD secretariat based on data from the World Economic Forum's Global Gender Gap Index (WEF, 2017).

<sup>a</sup> Rankings are out of the 115 countries examined by WEF (2006).

<sup>b</sup> Rankings are out of the 144 countries examined by WEF (2017).

<sup>c</sup> Mozambique was included in the WEF ranking as of 2007, so its ranking is out of 128 countries examined by the 2007 Global Gender Gap Index.

<sup>d</sup> Swaziland is included in the WEF ranking as of 2011.

As shown in Table 7, SADC countries have a comparatively better ranking based on the GGGI than based on the GII; based on the 2017 GGGI, the rankings of SADC member countries range between 13th and 123rd (out of the 144 countries for which the index is calculated). According to the GGGI, Namibia, South Africa, and Mozambique rank relatively high, while Angola, Swaziland, and Mauritius have the lowest rankings, meaning they have the highest gender disparities in the region. According to the GGGI, a few SADC countries made progress between 2006 and 2017, moving up in the global ranking. Many countries, however, lost ground.<sup>31</sup> Namibia climbed to a higher position due to progress in women's labour force participation, estimated earned income, and the number of women in parliamentary positions. Mozambique improved several ranks as a result of progress in women's estimated earned income and wage equality, and a narrowing gender gap in

secondary and tertiary education enrolment (WEF, 2017).

### 1.3.2 Gender-related inputs

Since the early stages of the integration process, SADC members have shown a strong commitment to the creation of a gender-sensitive community. Article 5 of the SADC Treaty adopted in 1992 states that mainstreaming gender in the process of community building is one of the objectives of SADC.<sup>32</sup>

This commitment was followed by the adoption of the SADC Declaration on Gender and Development in 1997, which aimed to promote cooperation among member states to support gender equality. Toward this end, the establishment of the Gender Unit in 1998 aimed to support, coordinate, and supervise the implementation of SADC gender commitments at national and regional levels.

Box 1

**Time-use surveys**

As mentioned in Module 1, time-use surveys collect information on the time spent on unpaid work (i.e. housework and care work) versus paid work by individuals in a society, taking into account their socio-economic characteristics (e.g. gender, level of income, location, etc.). Time-use surveys provide additional information with respect to conventional surveys, aiming – in the intention of the researchers carrying out these surveys – to induce policymakers to allocate public budgets in ways that help address gender disparities. In addition, time-use surveys help assess how much unpaid work is involved in daily life. Unpaid work is critical for household and community welfare, but it is socially undervalued because it is not monetarily compensated.

Time-use surveys are still not widely available but are growing in number. In the case of SADC countries, these surveys are available for Madagascar, South Africa, and the United Republic of Tanzania. Box table 1.1 reports the daily number of hours spent on paid and unpaid activities by men and women based on the most recent time-use surveys carried out in these countries. Consistent with the typical pattern observed in most countries, women are less represented than men in the formal paid sector, but they carry out the lion's share of unpaid work. In addition, in all three countries – as widely observed in other countries as well – women work more hours per day than men.

Box table 1.1

**Hours spent on paid and unpaid activities by men and women**

	Area	Age	Survey availability	Year	Men		Women	
					Paid work (hours per day)	Unpaid work (hours per day)	Paid work (hours per day)	Unpaid work (hours per day)
South Africa	National	15-64	2005 and later	2010	4.267	1.533	2.167	3.817
Madagascar	Rural	6-65	1995–2004	2001	6.000	0.667	4.000	3.500
	Urban	6-65	1995–2004	2001	4.833	0.917	2.917	3.750
United Republic of Tanzania	National	5+	2005 and later	2014	5.700	1.067	3.250	3.967

Source: United Nations Statistics Division time-use data portal ([unstats.un.org/unsd/gender/timeuse/index.html](http://unstats.un.org/unsd/gender/timeuse/index.html)).

The 2003 Regional Indicative Strategic Development Plan (RISDP), which spelled out the priorities to be addressed in the process of regional economic integration, cited gender as one of the key issues to be addressed to reduce poverty and improve standards of living. According to the RISDP, this commitment required mainstreaming gender in all sectoral policies, programmes, and activities at national and sub-regional levels.

In order to support women's empowerment and the elimination of gender discrimination, the SADC countries signed the SADC Protocol on Gender and Development in 2008, which entered into force in September 2012.<sup>33</sup> The protocol has a number of major objectives, namely to empower women, eliminate discrimination, and achieve gender equality through the development and implementation of gender-responsive legislation, policies, programmes, and projects (Article 3(a)). It calls on member states to harmonize the implementation of regional, continental, and global instruments on gender equality to which they are parties (Article 3(b)). This implies moving from non-binding commitments taken in the framework of different declarations and covenants to a

single binding document that also focuses on how gender inequality manifests itself in the region (Munalula, 2011). Among the objectives of the protocol are deepening regional integration, attaining sustainable development, and strengthening community building (Article 3(f)). Therefore, gender equality and the elimination of gender-based discrimination are deemed to be instrumental in reaching these objectives.

Article 4 of the protocol states the obligation for member countries to enshrine gender equality in their constitutions and ensure that those rights are not compromised by any provisions, laws, or practices. Considering that in many SADC countries civil law coexists with customary law, and the latter in most cases limits women's rights, the call to give priority to constitutional rights over other laws and practices is of special importance. In recognition of the barriers women face to fully participate in economic and social life, Article 5 instructs member countries to put in place special measures.

The protocol includes specific articles addressing women's economic empowerment, access to property and resources, and access to employment and benefits. Article 17 on

economic empowerment mandates member countries to undertake the necessary reforms to give women equal rights and opportunities to economic resources and control and ownership over productive resources. Interestingly, it also calls upon members to review national trade and entrepreneurship policies to make them gender-responsive (Article 17(2)). Article 18 on access to property and resources mandates an end to all discrimination against women and girls regarding land rights and access to water, credit, capital, and training. It also mandates that women and men have access to modern and affordable technology. Article 19 on employment mandates member countries to ensure equal pay for equal work and eradicate occupational segregation and all forms of employment discrimination.

The overarching approach of the protocol is a rights-based approach to development. Accordingly, human rights should be mainstreamed in the development process and reflected in policies and programmes. Since gender inequality represents a violation of human rights that is widespread in the region, the protocol aims to solve it (Munalula, 2011). Despite the innovative and ambitious approach of the protocol, however, changes to better women's lives in the SADC region will depend not only on faithful implementation of the protocol but also on a change in mind-sets. Indeed, a new way of looking at the role of women and men in society and the economy is the precondition for the protocol to be a game changer.

In 2008, SADC also adopted a Gender Mainstreaming Strategy to achieve greater gender equality in all fields, including trade. Gender mainstreaming is a comprehensive strategy that entails integrating a gender perspective in all decision-making in the region. With regard to trade, its main objectives are integrating a gender perspective in legislation and policies and addressing gender inequity issues by creating gender-responsive working environments and guaranteeing equal opportunities and treatment to both men and women.<sup>34</sup> Box 2 provides a historical account of all the gender references found in the SADC documents on trade.

Since 2009, the SADC Gender Protocol Barometer has been annually tracking the progress made by the member countries in achieving the 28 targets of the protocol.<sup>35</sup> Towards this goal, a Citizen Score Card has been used as a tool to keep track of the changes that a representative group of men and women in the region have perceived. Additionally, the SADC Gender and

Development Index (SGDI) was introduced in 2011. It is calculated based on a basket of multiple indicators to measure progress towards attaining gender equality.<sup>36</sup>

The protocol was updated in 2015 (the Post-2015 SADC Gender Protocol).<sup>37</sup> The updated protocol was aligned with the United Nations' 2030 Development Agenda and its Sustainable Development Goals, the Beijing Plus Twenty Review, and the Africa Agenda 2063. All three platforms were established as a new framework for the achievement of development goals after the expiration of the Millennium Development Goals in 2015. The updated protocol has also been provided with a Monitoring, Evaluation and Reporting Framework, which was adopted in June 2017.<sup>38</sup> All SADC countries have ratified the Convention on the Elimination of All Forms of Discrimination against Women, and most have developed gender policies and gender reforms. In the last 20 years, some notable progress has been made regarding the status of women in SADC member countries, notably in the realm of political participation. According to the Inter-Parliamentary Union, which provides a classification of 193 countries based on the share of women in Parliaments, three SADC countries are among the top 20 in the world with the highest number of women in Parliament: South Africa, Namibia, and Mozambique.<sup>39</sup>

A study conducted by the African Trade Policy Centre (Shayo, 2012), however, revealed a series of flaws concerning gender mainstreaming in SADC. The study highlighted limited knowledge and skills on gender analysis, inadequate availability of gender-disaggregated statistics, and insufficient participation of and coordination among all relevant authorities and policy measures. For example, while the Gender Protocol refers to women's participation in policy-making, actual participation is very low. Against a world average of 23.6 per cent and an average in sub-Saharan Africa of 23.8 per cent, women only hold 9.5 per cent of parliamentary seats in Botswana, 11.6 per cent in Mauritius, and 8.95 per cent (lower house) and 4.6 per cent (upper house) in the Democratic Republic of the Congo.<sup>40</sup> With specific regard to trade, as reported by van der Vleuten and Hulse (2014), the SADC's trade policy is gender-mainstreamed only to a marginal degree, while at the same time the SADC's gender policy includes gender targets in trade policies. As of 2017, it can be concluded that gender mainstreaming is applied neither consistently nor coherently in the SADC region.

Box 2

## Gender references in SADC documents on trade

Document	References to gender
1996 Protocol on Trade (binding)	No reference to gender.
1997 Declaration on Gender and Development (non-binding)	"Promoting women's full access to, and control over productive resources such as land, livestock, markets, credit, modern technology, formal employment, and a good quality of life" (1997: H.iii). No specific reference to trade.
2003 Regional Indicative Strategic Development Plan; sections on trade (non-binding policy guidelines)	"The other challenge [for SADC trade policies] is in developing new policies and strategies that would target vulnerable groups such as the rural and urban poor, small businesses, informal operators and women to ensure that they take advantage of the policies" (2003: 25).
	[Trade policy] "At the same time cross-cutting issues such as gender, HIV and AIDS, information and communications technology, statistics and science and technology will be mainstreamed into all areas of focus" (2003: 65).
	"Target 6. Increase the share of credit accessed by women and SMEs to at least 5% of total private sector credit by 2008" (2003: 67).
2008 Protocol on Gender and Development (binding)	"By 2015, ensure equal participation of women and men, in policy formulation and implementation of economic policies" (Article 15.1).
	"...adopt policies and enact laws which ensure equal access, benefit and opportunities for women and men in trade and entrepreneurship, taking into account the contribution of women in the formal and informal sectors" (Article 17.1).
	"...review their national trade and entrepreneurship policies, to make them gender responsive" (Article 17.2).
	"...introduce measures and ensure that women benefit equally from economic opportunities, including those created through public procurement processes" (Article 17.3).
<i>Source: van der Vleuten and Hulse (2014: 177)</i>	
Post-2015 SADC Gender Protocol (binding)	"State Parties shall ensure equal participation of women and men, in policy formulation and implementation of economic policies" (Article 15.1).
	"State Parties shall ensure gender sensitive and responsive budgeting at the micro and macro levels, including tracking, monitoring and evaluation" (Article 15.2).
	"State parties shall review their national trade and entrepreneurship policies to make them gender responsive" (Article 17.2).
	"State Parties shall, in accordance with the provisions of special measures in Art. 5, develop strategies to ensure that women benefit equally from economic opportunities, including those created through public procurement processes" (Article 17.3).

*Source: UNCTAD secretariat.**Note: SADC: Southern African Development Community.*



## 2 Trade and gender in the agricultural sector

As indicated in Volume 1, trade integration policies do not have a clear-cut positive or negative impact on women's well-being and gender equality. This applies to agriculture as it does to all other sectors of the economy. The gender impact of trade liberalization is made more complex by the different roles that women can play in the economy. Module 2 explains that the effects of trade liberalization may be opposite if, for example, one looks at women in their roles as consumers and producers of agricultural products. As consumers, women may benefit from cheap imports, but as producers, they might be unable to face stiffer competition following trade liberalization, and therefore they may lose their source of income. The effects of trade liberalization may also vary across subgroups of women, depending on the specific agricultural sub-sectors and markets in which they operate. The analysis is further complicated by socio-cultural norms that shape the economic roles of men and women in agriculture, and that vary both across and within countries.

The impact of gender inequalities on trade is multifaceted as well. As discussed in Module 3, gender inequalities may hinder women's economic potential in on-farm and off-farm

activities, turning women into "underachievers of competitive advantage." On the other hand, low-cost female labour can also become a source of export competitiveness, turning gender inequality into a "source of competitive advantage" for labour-intensive, export-oriented agri-businesses.

This section explores the interplay between trade and gender in the agricultural sector in the SADC region. The focus is on the gendered structure of agriculture in the region and on how gender-specific constraints and inequalities impact the agricultural trade potential of SADC member countries (i.e. how gender inequalities affect trade in agriculture). The section also explores the expected impact of the SADC's agricultural trade and regional integration on the employment of rural women (i.e. how trade affects gender inequalities).

### 2.1 Agriculture in the SADC region

The agricultural sector is of major social and economic relevance in the SADC region. As shown in table 8, agriculture accounts for an average of 12.5 per cent of the GDP, roughly 30 per cent of merchandise exports, and 44 per cent of total employment. Therefore, the performance of this sector has a strong effect on food security, economic growth, well-being, and social stability.

Table 8

The role of agriculture in SADC countries (per cent)			
Country	Agriculture (percent of GDP) <sup>a</sup>	Agriculture (percent of merchandise exports) <sup>b</sup>	Employment in agriculture (percent of total employment) <sup>c</sup>
	2015	Average over 2013–2015	2017
Angola	8.2 (2001)	0.07	4.2
Botswana	2.4	2.15	25.7
Congo, Dem. Rep.	20.6	2.84	65.3
Lesotho	5.7	10.39	39.6
Madagascar	25.6	31.74	74.2
Malawi	29.5	82.68	69.9
Mauritius	3.5	32.06	7.4
Mozambique	25.2	23.17	75.0
Namibia	6.7	27.43	29.1
Seychelles	2.3 (2014)	81.45	4.1 (2015)
South Africa	2.4	12.67	6.1
Swaziland	6.1 (2014)	35.52	22.0
United Republic of Tanzania	31.1	43.80	66.9
Zambia	5.3	11.72	54.8
Zimbabwe	13.4	51.71	67.5
SADC	12.5	29.96	43.5

Source: Calculations by UNCTAD based on data from the sources cited in the table footnotes below.

Note: SADC: Southern African Development Community.

<sup>a</sup> Data from the World Bank's World Development Indicators (accessed on 25 April 2017).

<sup>b</sup> Data from the UNCTADstat database: Merchandise trade matrix – product groups, exports, 1995–2015; Merchandise trade by trading partner and product based on SITC, Rev. 3; Agriculture covers categories "All food items" (SITC 0+1+22+4) and "Agricultural raw materials" (SITC 2 less 22, 27 and 28).

<sup>c</sup> Data from the ILO (2017) category for "share of employment in agriculture, forestry, hunting, and fishing."

The availability of adequate food at all times is a major issue for southern Africa due to poverty, health (especially chronic diseases), and adverse climatic conditions, especially heavy rain and drought, which have been made more intense and recurrent by climate change. About 40 million people – over 20 per cent of the SADC rural population — are estimated to suffer from food insecurity.<sup>41</sup> Of this number, more than 20 million people were estimated to need urgent assistance in 2016.<sup>42</sup>

As is typical in Africa, most food producers in the SADC region are small-holder farmers, who are especially vulnerable to two major challenges affecting global food markets: climate change, and the concentration of agricultural production in the hands of large agribusinesses. Rising temperatures and the unpredictability of rainfall have already been affecting sub-Saharan Africa, and those problems are expected to worsen in the coming years. Southern Africa is especially vulnerable to climate change, as close to 80 per cent of the population in the region lives in rural areas and depends on agriculture for their livelihood (ESAFF, 2014). For their part, large agribusinesses are capital-intensive (and, therefore, less favourable for employment creation than small-holder farmers) and tend to be ecologically unsustainable. Nonetheless, they dominate global food markets and have contributed to making sub-Saharan Africa a net importer of food. As a consequence, Africa

now faces a serious problem of food security. To address it, Africa's trade policy in agriculture needs to be reconsidered, and more investment in the sector is required. Foreign direct investment (FDI) may contribute to solving the problem if the right conditions are in place, such as engagement with the interests of local communities and not only with the local elites (Cotula et al., 2009).

## 2.2 The gender structure of agriculture in the SADC region

Table 9 shows the average share of male and female employment in the agricultural sector in the SADC region, calculated as a share of men's and women's total employment, for the period 2001–2008 (before the SADC Treaty) and 2009–2016 (after the treaty). In most SADC countries, the share of employment in agriculture has shrunk in recent years for both men and women.<sup>43</sup> In the region, agriculture tends to be female-dominated: women's share of employment is 57 per cent, higher than the men's share of 46 per cent. This general trend, however, conceals differences among SADC member states. In some countries, the agricultural sector appears rather male-intensive; this is the case for Botswana and Lesotho. On the other hand, in the Democratic Republic of the Congo, Swaziland, Malawi, Mozambique, and Zambia the female share is well above the corresponding male share.

Table 9

### Male and female shares of agricultural employment, average for 2001–2008 versus 2009–2016 (per cent)

	Female		Male	
	2001–2008	2009–2016	2001–2008	2009–2016
Angola	14.06	9.38	1.69	0.75
Botswana	17.15	21.46	29.01	32.69
Congo, Dem. Rep.	79.19	77.13	59.34	56.81
Lesotho	41.28	28.93	64.36	50.93
Madagascar	80.38	78.05	79.47	75.15
Malawi	82.62	80.75	62.52	59.12
Mauritius	7.90	5.89	10.89	8.04
Mozambique	85.88	85.44	65.94	64.32
Namibia	29.78	29.20	35.01	31.33
Seychelles	-	-	-	-
South Africa	6.39	3.46	10.57	6.57
Swaziland	45.99	43.99	10.23	8.71
United Republic of Tanzania	79.03	72.80	73.38	66.74
Zambia	80.41	70.36	65.25	48.78
Zimbabwe	77.28	71.78	61.07	62.91
SADC	59.29	56.93	49.58	46.42

Source: ILOSTAT database (accessed on 25 April 2017).

Note: Figures are not available for Seychelles. For the resolution concerning statistics on work, employment, and labour underutilization adopted by the 19th International Conference of Labour Statisticians in Geneva in October 2013, see [http://www.ilo.org/global/statistics-and-databases/standards-and-guidelines/resolutions-adopted-by-international-conferences-of-labour-statisticians/WCMS\\_230304/lang--en/index.htm](http://www.ilo.org/global/statistics-and-databases/standards-and-guidelines/resolutions-adopted-by-international-conferences-of-labour-statisticians/WCMS_230304/lang--en/index.htm).

Traditionally, in southern Africa, female agricultural workers have been mainly employed in subsistence production as small-scale farmers. As explained in box 3, southern Africa shows a large proportion of female-headed households, which tend to be poorer than male-headed households. According to Oxfam (2015), women’s agricultural work in the SADC is often unpaid or undervalued. Moreover, as discussed in box 1, women also perform most unpaid care work. As a result, if both paid and unpaid work are taken into account, on average women end up working longer hours than men. As will be discussed in Section 2.3, this represents a threat to women’s health and a constraint to their economic opportunities. In Zimbabwe, rural women make

up the majority of small-holder farmers, and most women in the agricultural sector are unpaid family workers (FAO, 2017). In the United Republic of Tanzania, 72.4 per cent of women working in agriculture are self-employed, 7.8 per cent are unpaid workers, and only 0.4 per cent of women are wage earners. The increase in export-oriented production of commercial crops has begun to create off-farm employment opportunities for women, who dominate employment in many of the high-value agricultural commodity chains in sub-Saharan Africa. For example, women are found to constitute 65 per cent of the employees in vegetable and flower production in Zambia, and 53 per cent of the employees in deciduous fruit production in South Africa (FAO, 2011a).<sup>44</sup>

Box 3

**Female-headed households**

As explained in Module 1, female-headed households may include different situations: a one-person household, households where the only adult is a woman, or households where there are two adults – a man and a woman, or two women – and the woman is considered the household head. Moreover, women can be household heads on a regular or temporary basis if the male partner is only temporarily absent.

Southern Africa countries tend to have a very large proportion of female-headed households, and those households are often disproportionately poor. Female-headed households often lack male workers and, as a result, are less productive than male-headed households. However, when the male head is absent due to migration (female-headed households de facto), the household can benefit from remittances that compensate for the lack of the male workforce.

Box table 3.1

**Share of households that are female headed (per cent)**

Country	Percent share of total households
Angola	22
Congo, Dem. Rep.	25
Lesotho	36
Madagascar	29
Malawi	31
Mozambique	36
Namibia	44
Swaziland	48
United Republic of Tanzania	25
Zambia	27
Zimbabwe	41

Source: World Bank (2017).

Note: Data for Botswana, Mauritius, Seychelles, and South Africa are not available.

**2.3 The gender gap in agriculture and the drivers of that gap**

In addition to over-representation in subsistence agriculture and to holding the lion’s share of unpaid work, female farmers in SADC countries tend to be less productive than their male counterparts, in turn making women less competitive (Oxfam, 2015). The gap in productivity between male and female farmers is measured in yields (kilograms per hectare). In 2011, the average global gender yield gap between men

and women reached 25 per cent (FAO, 2011a). However, there is strong evidence that female farmers can be just as efficient as their male counterparts, as the productivity gap is mainly due to widespread gender discrimination in the agricultural sector (FAO, 2011b).

The multiple dimensions of gender disparities in the agricultural sector, collectively referred to as the “gender agricultural gap,” are particularly important in the SADC because of the significant share of women employed in agriculture in the region.

Gender biases are still rooted in customary law and cultural behaviours in the SADC countries, and they contribute to limit women's access to key inputs and resources such as land, credit, and training. As far as employment is concerned, rural women in SADC suffer from occupational segregation in the agricultural sector. While most are still concentrated in subsistence agricultural and unpaid family work, trade liberalization has led to an increase of wage employment opportunities for women in agriculture. However, these jobs are often low-paid, require few skills, and offer no or little possibility of advancement and promotion. This section examines the main sources of gender inequalities in the agricultural sector of SADC member states.

### 2.3.1 Land control

The main obstacle faced by female farmers is limited access to land. In fact, in many SADC countries women own or manage less than a quarter of the total amount of agricultural land (Oxfam, 2015). Women's access to land is often constrained by legal provisions that consider women as minors, and therefore not entitled to possession of property. This was the case in Botswana, where in 1993 only 36 per cent of farm holders were women. Although the law was amended in 1996, progress still needs to be made in changing the culture of rural communities in order to grant women and men equal access to land. Since most women do not own land, they experience significant difficulties in their agricultural activities due to lack of capital to purchase the needed inputs and lack of collateral to present to banks and other financial institutions to get loans. For example, in Botswana women are subject to discrimination when applying for government programmes because the applicant must own the land in order to benefit from those programmes (Botswana Ministry of Agriculture, 2008).

In Zimbabwe, the government implemented a land redistribution policy in the early 2000s with the aim of addressing racial inequalities in land ownership caused by colonial rule. However, only 8 per cent of the total population who benefited from the distribution were female. Today, in Zimbabwe women constitute 18 per cent and 12 per cent of small-holders and commercial farmers, respectively (FAO, 2017).

Shortcomings in women's right to land ownership constitute a major challenge for rural women and often prevent them from benefiting from new export opportunities created by trade liberalization. For example, as far as non-traditional agricultural exports are concerned, women farmers are often excluded from contracts with agro-industrial firms for the delivery of high-value

products because women lack secure access to productive resources and cannot guarantee delivery of a reliable flow of products (FAO, 2011a).

### 2.3.2 Work burden

Numerous studies highlight that one major source of gender inequality in the agricultural sector is the disparity of the work burden between men and women. Due to patriarchal norms and the gender division of labour, rural women in the SADC are responsible for most housework, from taking care of children and the elderly to collecting water and sources of fuel. As a result, on average women work longer hours than men and this leaves them little time to rest, seriously undermining their health conditions and limiting their economic opportunities. In many rural areas, women's work burden is aggravated by the poor conditions of infrastructure and public services. In the United Republic of Tanzania, poor infrastructure and limited provision of public services require women in rural areas to spend long hours getting water and fuel, preparing food, and taking care of other domestic and childcare activities (FAO, 2011b).

### 2.3.3 Access to credit and inputs

Women in agriculture are also disadvantaged in their ability to access credit. Overall, women obtain only 10 per cent of the agricultural credit offered to small-scale farmers in Africa (Oxfam, 2015). In southern Africa, access to credit from commercial banks is a challenge for most rural women. The causes of limited access to financial aid are often rooted in gender-based discrimination. Since women are sometimes regarded as minors by local law, they might need their husband's or male next of kin's authorization in order to obtain a loan. In addition, the difficulties associated with the paperwork may be intimidating to women who have little education. Even when this is not the case and women could potentially be entitled to credit, the fact that they often lack collateral (due to limited access to land and stable income) prevents them from being able to borrow money. The difficulties in accessing loans have a significant negative impact on the empowerment of rural women in the SADC, as the lack of capital contributes to their segregation in subsistence agriculture and low-paid, low-skill wage employment. Moreover, the lack of capital undermines female farmers' productivity, since they have little possibility to purchase farm inputs such as pesticides and fertilizers. In Malawi, maize yields are from 12 to 19 per cent higher in men's plots. However, when as part of a programme women were given an equal amount of fertilizer, they were able to achieve the same yields (FAO, 2011a). The gap in

access to inputs also concerns the quality of those inputs: empirical research in the United Republic of Tanzania suggests that female farmers use lower-quality fertilizer, apply it incorrectly, or use it at the wrong time (ONE and World Bank, 2014).

### 2.3.4 Educational attainment

Education plays a fundamental role in determining the ability of households to access better labour opportunities and escape poverty. In SADC, rural women tend to have lower literacy rates and fewer years of education than their male counterparts. In the United Republic of Tanzania, 39 per cent of women living in rural areas are illiterate, as opposed to 14 per cent of men. Gender disparities in education can also be observed based on household headship, particularly in rural areas. Overall, female-headed households show lower levels of education than male-headed households. Differences in schooling between men and women translate into differences in agricultural productivity. In Malawi, where female-headed households produce 25 per cent less than households headed by men, female farmers have attained on average two years of schooling, whereas most of their male counterparts have completed at least five years. In Madagascar, that ratio is three years for women and five years for men (FAO, 2011a). In the United Republic of Tanzania, 67 per cent of female workers in female-headed households have not completed their primary education cycle, compared to 40 per cent of men (in male-headed households, the share is 55 per cent for women and 49 per cent for men) (Osorio, Percic, and Di Battista, 2014).

### 2.3.5 Access to markets

Due to gender biases, women tend to have limited access to both international and domestic markets. For example, women in many countries are not allowed to use certain means of transportation (e.g. bicycles), and have to cope with harassment by market or trade officials. Moreover, due to their time constraints, women often avoid travelling long distances in order to seek the best prices for their products. These issues are compounded by reduced access to storage facilities, which can cause significant losses, especially when trading perishable goods. In turn, this constraint limits both the range of products women can sell and the size of their business.

Gender-differentiated access to markets affects the ability of women and men to receive fair prices for their work and their production and to control the income they generate (Fontana and Paciello, 2010). Because of limited access to formal markets, informal cross-border trade

often becomes one of the only options to provide for income and food security.<sup>45</sup> According to UN Women (2010) women constitute about 70 per cent of the informal cross-border traders in the SADC region. Informal cross-border trade constitutes about 30-40 per cent of intra-SADC trade, and most goods exchanged through such trade are agricultural products. It is important to note, however, that women often benefit only marginally from their trading activity due to policy, institutional, cultural, economic, and regulatory issues (Ityavayar, 2013).

Women may also respond to reduced access to markets by engaging with agricultural global value chains. In Zimbabwe, for example, women constitute 91 per cent of horticultural employees. However, women hold fewer permanent positions than men, and instead women tend to do temporary or seasonal work at lower wages, with few or no benefits (Rubin and Manfre, 2014).

### 2.3.6 The gender wage gap and occupational segregation

In the SADC region, the gender gap in formal and informal wage employment is large.<sup>46</sup> Even when rural women are paid employees, they are more likely to be employed in part-time, seasonal, and low-paying jobs. For example, in Zimbabwe only 37 per cent of rural women are formally employed, compared to 62 per cent of men (FAO, 2017). In Malawi, more than 60 per cent of rural women are employed in low-wage jobs as opposed to fewer than 40 per cent of men. Moreover, even if their participation in the labour market is increasing, rural women tend to earn less than men. On the one hand, as stated above, their education levels and literacy rates are lower than those of men, and this causes the relegation of women in low-skilled (and consequently low-paid) jobs. On the other hand, due to widespread gender biases, women tend to be segregated in low-value-added activities, such as harvesting, slicing, grading, and packing fruit. Even when women and men perform the same functions, however, women are often paid less than men (FAO, 2011a). In the United Republic of Tanzania, rural women earn 31 per cent less than men (based on monthly wages), whereas in South Africa the corresponding figure is 16 per cent (based on hourly wages) (Fontana and Paciello, 2010).

## 2.4 The impact of the gender agricultural gap on trade

### 2.4.1 Women as underachievers of competitive advantage

Agriculture in SADC is underproductive – farmers in southern Africa harvest five times less than the world average for harvesting (Oxfam, 2015). In Mozambique, for example, agriculture

contributes only 23 per cent to GDP but employs 78 per cent of the labour force. As discussed earlier, gender-based discrimination and the multiple challenges women farmers face undermine their productivity, which is considerably lower than men's in several SADC member states. Women remain underachievers of competitive advantage, particularly as small entrepreneurs and self-employed producers (UNCTAD, 2017). According to the FAO, if women had equal access to resources they could increase their farm yields by 20 to 30 per cent, with important benefits for food security and poverty (FAO, 2011a; Oxfam, 2015). Not only does gender inequality negatively impact women's livelihoods and living conditions, it is also a source of instability and inefficiency for the agricultural sector in general and, ultimately, for the economy as a whole. Moreover, the productivity gap represents a threat to overall food security, since some SADC countries, such as Mozambique, Swaziland, and Zimbabwe, are particularly vulnerable in this regard. Finally, climate change may exacerbate the problem by affecting the production of key crops.

#### 2.4.2 Women as sources of competitive advantage

Gender inequality can be turned into a source of competitive advantage in a context of trade liberalization. In fact, competitive advantage is based on cutting the absolute unit cost of production, and cheap labour is an essential element of competitiveness. In Zambia, men were able to increase maize production by demanding greater labour inputs from their wives; however, women producers were not able to exert similar demands on their husbands' labour (Fontana and Paciello, 2010). In the case of commercial-oriented crop production, women's unpaid work is important in reducing the cost of exports and increasing export earnings. Nevertheless, women can hardly benefit from those earnings due to the limited decision-making power they exercise in the household and their little control over resources.

Concerning occupations, in SADC as in many other developing countries, following trade liberalization women have begun to be increasingly employed in non-traditional agricultural exports because they constitute a cheap source of labour and they have weaker bargaining power.<sup>47</sup> The relatively low pay that women receive makes them attractive workers for the firms that face tough competition in the international market. Cutting production costs, especially labour costs, is a typical strategy used by export-oriented agro-enterprises, since they face significant pressure to meet seasonal demand peaks in foreign markets and deliver

under short deadlines. As a result, women are segregated in seasonal, casual, and temporary work. Women, in fact, are typically concentrated in unskilled, labour-intensive activities (e.g. processing seafood, labelling, and bar-coding produce). In contrast, men tend to prevail in managerial and technical positions (in addition to positions requiring particularly heavy physical effort) (Hill and Vigneri, 2014).

#### 2.5 The impact of the SADC on regional agricultural development

With the 2003 Maputo Declaration, which was confirmed in Malabo in 2014, the 55 member states of the African Union committed to progressively increase their spending to allocate at least 10 per cent of national budgets to agriculture. The critical importance of food security was emphasized in the 2004 Dar-es-Salaam Declaration on Agriculture and Food Security in the SADC Region.

The SADC Multi-Country Agricultural Productivity Programme (MAPP), adopted in 2008, is a 15-year programme to be implemented in three five-year phases. It is derived from a core programme of the African Union's New Partnership for Africa's Development to address sustained growth and poverty reduction, the Comprehensive African Agricultural Development Programme (CAADP).<sup>48</sup> A key goal of the CAADP is to increase agricultural productivity by at least 6 per cent a year while committing to allocate 10 per cent of public expenditure to the agricultural sector. The SADC's MAPP builds on the fourth pillar of the CAADP – agricultural research – and proposes a set of initiatives to promote a focus on agricultural research, and also seeks to strengthen technology development, dissemination, and adoption (SADC secretariat, 2017).

Similarly, the SADC Regional Agricultural Policy issued in 2013 introduced a programme to support agricultural productivity, sustainable production, and competitiveness. As part of this programme, SADC countries committed "to ensuring enhanced contribution to agricultural development and food security by women, youth and other vulnerable groups by guaranteeing them effective access to productive resources, services, and social/economic opportunities. In particular, Member States acknowledge that women in agriculture, who make up more than 50 per cent of the rural population, play a central role in producing, harvesting, processing, storing, and marketing of food."<sup>49</sup> The SADC Gender Policy document explicitly states the need to enhance women's participation in agriculture by promoting their access to services and protecting their legal and constitutional rights.

Despite these goals, policy implementation has been weak. As indicated by Oxfam (2015), in addition to allocating budgeting to agriculture, there is a need for additional interventions that target the constraints faced by small-holders. Specifically, these measures need to include land policy reform, reducing the barriers faced by women (and small-holders) who want to enter higher-value markets, and public intervention to reduce the risks of a commercial investment in small-holder farmers and women's enterprises. A policy plan that tackles women's unequal access to land and inputs is essential for growth and development in the SADC region. More specifically, land ownership rights should be strengthened, and women's reproductive work burden should be alleviated. Furthermore, tax-based incentives and direct subsidies might be used to cover capital and production costs so that women could invest in more rewarding, less labour-intensive enterprises, diversifying their production from just staple crops, which tend to have low returns and are often under governmental price regulations (Oxfam, 2015).

## 2.6 Estimating the impact of trade openness on women in agriculture in the SADC

This section examines the effect of trade liberalization in SADC on women's employment in the agriculture sector. The same analysis will be replicated for the industry and the service sectors.<sup>50</sup> Following Bussmann (2009) and Wamboye and Seguino (2015), trade openness is used to measure the degree of trade liberalization.<sup>51</sup>

This analysis evaluates the impact of trade openness on the share of female employment in the agricultural sector. It also investigates the impact of trade openness on the gender

employment gap.<sup>52</sup> To evaluate the effects of export expansion and import competition associated with trade liberalization, in addition to the aggregate impact of trade openness, the separate effects of exports and imports (both considered as shares of GDP) are also considered. Further details about the data and estimation methodology are presented in Annex 1.

What is the expected effect of trade liberalization on women in agriculture? First, global integration has substantially changed production patterns and the composition of output all over the world such that there has been a shift away from agriculture toward industry and services. However, agriculture remains the most important sector for female employment throughout much of Africa, where women have historically worked in agriculture as unpaid family labour. As agriculture began to be commercialized in many developing countries, women tended to be excluded from formal cash crop production and marketing (Mehra and Gammage, 1999).<sup>53</sup> On the other hand, starting in the 1980s in some developing countries, high-value agricultural exports such as horticulture, rich protein meats, and processed food began to substitute for the exports of traditional crops such as grains, coffee, and tea.<sup>54</sup> Barrientos et al. (2004) contends that these high-value agricultural exports have stimulated a high level of female employment. Conversely, according to World Bank et al. (2009), although the changes in agriculture create new sources of opportunities for everyone, women may be excluded from the lucrative high-value markets because they may not be able to compete with larger producers in terms of costs and prices. Therefore, the impact of export-oriented policies on female agricultural employment is not clear for developing countries.

### Box 4

#### The impact of trade liberalization on rural women in Lesotho

The agricultural sector in Lesotho has performed poorly, with an annual average growth rate of only 0.3 per cent between 1982 and 2010. Several factors contribute to undermining agricultural production in the country, namely climatic and soil characteristics and infrastructure and institutional deficiencies (e.g. poor natural resource management, low-yielding seeding). Nevertheless, most of the population is employed in subsistence agriculture (52 per cent of men, and 72 per cent of women). In the past, rural households used mining remittances to purchase the necessary inputs for cereal production, but the retrenchment of miners depleted this major source of investment in agricultural production. Similarly, male migration created the conditions for women to undertake tasks that were regarded as male prerogatives, although evidence shows that when men return from the mines they tend to take over women's tasks.

Women farmers engaged in the micro agro-business sector do not appear to have benefited from training, extension services, or other support from the government. Nonetheless, there are some government-sponsored labour-intensive and income-generating schemes. These include initiatives by the Civil Works Section of the Ministry of Local Government that focus on the construction of rural clinics and footbridges and agricultural-intensive production projects, which could provide an important source of livelihood for disadvantaged groups, including rural women.

Source: UNCTAD (2012).

Box 5

**The impact of trade liberalization on rural women in Angola**

In Angola, 70 per cent of the female workforce is employed in agriculture. However, agriculture in Angola is a low-productivity sector, with commercial agriculture not being necessarily more productive than family agriculture. As a result, rural areas in the country are generally very poor.

Traditional agriculture, which mainly employs women, accounts for 80 per cent of the sector, while commercial agriculture constitutes the remaining 20 per cent and is male-intensive. Female-headed households account for 33 per cent of all households and are the poorest and most vulnerable.

The Angolan agricultural sector presents a gender-based division of labour: men take care of land clearing and ploughing for commercial crop production and cattle raising, and women are mainly employed in family subsistence production of food crops and small livestock, as well as in collecting water and firewood. Rural women in Angola work on average 14-15 hours per day.

Trade liberalization was expected to affect production levels and incomes of the rural work force by increasing imports of agricultural products, which was expected to lower prices of domestic agricultural products or make domestic products uncompetitive.

However, evidence in Angola shows that trade liberalization has not had a great impact on local producers to date. In fact, many of those producers, especially women, are subsistence-oriented and therefore insulated from trade. However, producers whose income is partly generated by sales of their products in the domestic market may have been negatively affected by cheap imports.

Another aspect to take into account is that the Angolan agricultural sector is characterized by a significant diversification of income sources. Agriculture in fact only generates 50 per cent of income in rural areas, which means that trade liberalization may have impacted only a fraction of cash income. The impact of trade on agriculture is also limited by regional differences in import penetration. As a result, the effects of trade liberalization on rural women vary across the country and among the main commodities.

Angola's integration with the world's market exploiting the country's extractive sectors (i.e. oil and, to some extent, diamonds) has significantly constrained economic diversification, making it extremely difficult to develop import-competing or export-oriented sectors. This, in turn, has had negative repercussions on the development of productive activities that could absorb the female workforce and provide women with decent incomes. Women, in fact, have typically been confined to non-tradable and low-productivity activities. A more significant impact of trade on the female workforce is expected once the road infrastructure is upgraded, particularly in terms of integration and import penetration, which will expose women to international and domestic competition. In addition, women should be able to purchase a larger variety of inputs at lower prices.

Moreover, unlike other sub-Saharan countries, Angola did not experience a shift towards export-oriented manufacturing activities, which might have broadened employment opportunities for women.

Source: UNCTAD (2013).

A similar situation is also true for import competition effects. In agriculture, as in the other sectors of the economy, import competition may have a positive or negative effect on employment. Import competition may discourage the enterprises with low productivity, while it may induce highly productive activities to be even more productive. Additionally, import competition is likely to lead to competitive pressures that reduce the scope for employers to discriminate, including against women (Revenga, 1992; Melitz, 2003; Wood, 1995).

The following two sections discuss the results of the analysis of the effects of trade openness on (1) the total female workforce and (2) the gender employment gap in agriculture. The analysis differentiates between SADC and non-SADC exports and imports (both calculated as shares of GDP). Boxes 4 and 5 examine the specific cases of Lesotho and Angola, respectively.

### 2.6.1 Findings on the impact of trade on women's employment in agriculture

This section evaluates the impact of trade openness on the total female workforce in the agricultural sector. As shown in table A1.1 in Annex 1, the results indicate that trade openness has no effect on women's employment share in agriculture. When considering separately the export-to-GDP ratio (equivalently indicated as exports/GDP or export share) and the import-to-GDP ratio (equivalently indicated as imports/GDP or import share), the results show that the export share is negatively associated with women's employment share (which indicates the percentage of women in total employment); in contrast, the import share is positively related to women's employment share. The opposite effects of exports/GDP and imports/GDP cancel each other out, which explains why trade openness, considered



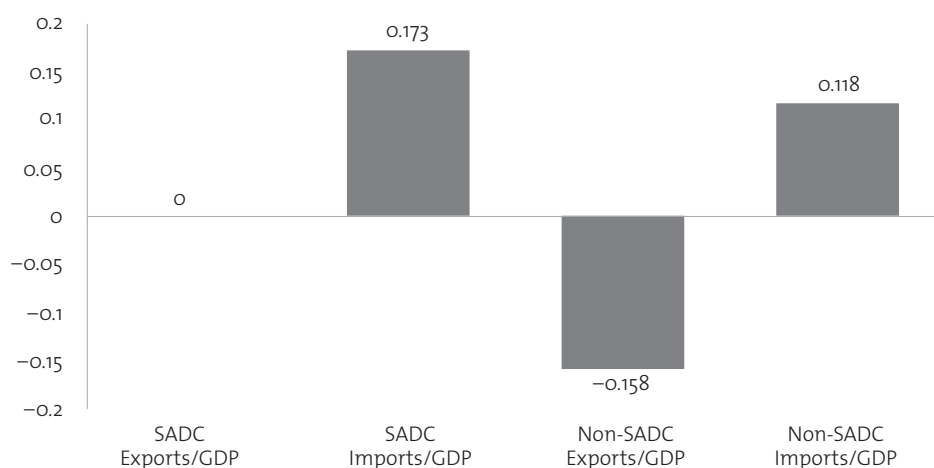
as an aggregate, does not affect women’s employment shares. The negative effect of expanded exports on total female employment in agriculture might reflect the expansion of sub-sectors dominated by men. This is because more commercial or industrialized crops cultivated on a large scale for exports are more likely to be male-dominated in Africa (Koehler, 1999; García, 2006).

Figure 10 summarizes the regionally differentiated effects of export and import shares on female employment in agriculture. Based on the findings, SADC exports (i.e. exports from SADC countries to other SADC countries) do not create any significant change in female employment in agriculture. On the other hand, increases in exports to non-SADC countries are found to have a negative impact on female employment.

These results might be due to the different importance of high-value products in total trade in SADC and non-SADC trade.<sup>55</sup> For example, Kabala and Kirsten (2013) observe that high-value agricultural products have been primarily exported to non-SADC countries rather than to other SADC countries in the post 2000-era. Production and marketing of high-processed agricultural products tend to disproportionately benefit men. Following trade liberalization, there has been a shift from low-value-added to high-value-added exports. This may explain the negative impact on female employment of agricultural exports (considered as a share of GDP) with countries outside of SADC; relatively small volumes of exports within SADC of high-value-added agricultural products may explain why intra-SADC exports (as a share of GDP) do not affect female employment.

Figure 10

**Regionally differentiated impact of trade openness on female employment in agriculture**



Source: Calculations by the UNCTAD secretariat based on the results of table A1.1 in Annex 1.

Note: The reported coefficients show the impact of a 1 percentage point increase in SADC and non-SADC export and import shares in GDP on total female employment in agriculture of SADC countries. SADC: Southern African Development Community.

With regard to imports, the results indicate that increases in imports from both SADC and non-SADC countries tend to lead to an increase in female employment in agriculture. This may be explained by increased competition in the domestic markets, as a result of which the demand for women in agriculture may increase since women often make up a cheaper labour source than men (due to discriminatory norms and practices). Women therefore constitute a source of competitive advantage for producers in the agricultural sector. Another factor that might explain this result is related to the role of imports as intermediate products in the production areas where women are concentrated. Increased availability of imported inputs and intermediate goods may increase the demand for women in

the agriculture sector. For example, increases in the availability of seeds, fertilizers, and irrigation-related products may create a positive effect on women’s employment in low-value-added agricultural production.

**2.6.2 Findings on the impact of trade on the gender employment gap in agriculture**

The previous section focused on the impact of trade on women’s employment in agriculture, ignoring the impact on male employment. This section turns to the impact of trade openness on the gender employment gap, which is evaluated using the female-to-male employment ratio. Table A1.1 in Annex 1 presents the results related to the effects of trade openness on the gender

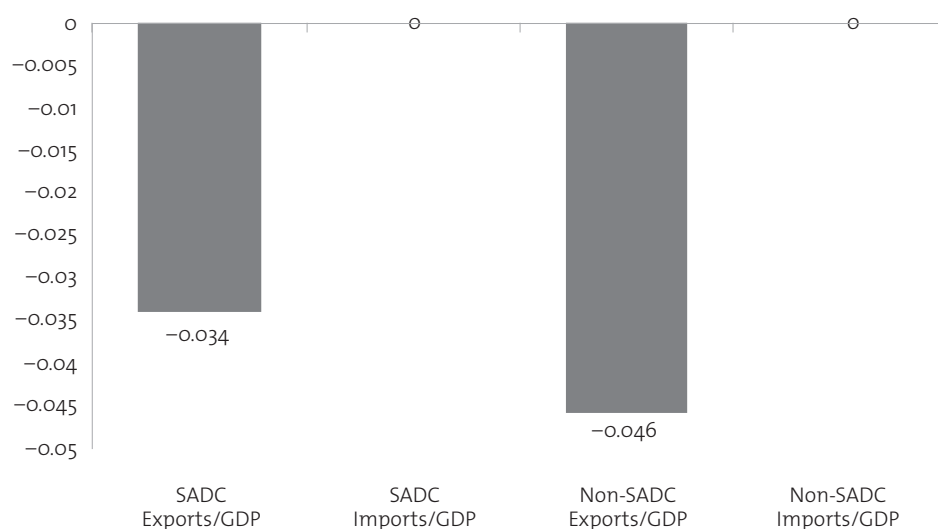
employment gap in agriculture. The findings reveal that trade openness tends to reduce the female-to-male employment ratio (equivalently, it tends to increase the gender employment gap). This implies that trade openness tends to be more beneficial to men's employment than to women's. In looking separately at the impact of export and import shares of GDP, the estimates show that it is exports that drive the negative effect of trade openness on the gender employment gap.

Figure 11 summarizes regionally differentiated effects of exports and imports on the gender employment gap in agriculture. Based on the

estimates, both SADC and non-SADC exports (measured as shares of GDP) increase the gender employment gap. These results imply that increased export opportunities are mostly beneficial (or less detrimental) to men rather than to women, which is consistent with the observation that growing commercialization of agriculture tends to primarily benefit men's employment. On the other hand, increases in imports measured as a share of GDP do not create any significant impact on the female-to-male employment ratio in agriculture. This implies that men and women are virtually equally affected by increases in the SADC and non-SADC imports shares.

Figure 11

### Regionally differentiated impact of trade openness on the gender employment gap in agriculture



Source: Calculations by the UNCTAD secretariat based on the results of table A1.1 in Annex 1.

Note: The reported coefficients show the impact of a 1 percentage point increase in the SADC and non-SADC export and import shares of GDP on the female-to-male employment ratio in agriculture of SADC countries. SADC: Southern African Development Community.

### 3 Trade and gender in the industrial sector

This section focuses on the trade-gender nexus in the industrial sector in the SADC region. In SADC, industry absorbs a relatively small share of men and (especially) women in total employment.<sup>56</sup> Table 10 provides data on the participation by gender in the industrial sector before and after the introduction of the free trade agreement. Two observations are instructive. First, female and male employment shares in industry show considerable disparities across countries, which are due to substantial differences in the sectoral composition as well as stages of development of SADC member states. Second, the change in the share of employment for men and women before and after the SADC integration process varies across member states, which implies that male

and female workers in the industrial sector are affected differently by the integration process.

Manufacturing is often considered the backbone of the development process and is therefore at the core of trade integration policies.<sup>57</sup> Employment in manufacturing tends to offer higher wages and potentially more stable job opportunities compared to agriculture and low-skilled services. Moreover, given that the expansion of manufacturing production and exports was one of the driving forces behind the Asian development process, export-oriented manufacturing has become one of the primary development strategies for less-developed countries and other developing countries, including those in the SADC region.<sup>58</sup>

Table 10

## Employment shares in industry by sex, 2001–2008 versus 2009–2016 (per cent)

	Female		Male	
	2001–2008	2009–2016	2001–2008	2009–2016
Angola	20.49	19.07	52.71	52.40
Botswana	13.73	10.34	24.40	19.22
Democratic Republic of the Congo	2.20	2.06	9.89	10.24
Lesotho	15.72	18.71	13.95	21.18
Madagascar	3.35	3.63	6.21	10.98
Malawi	1.07	1.07	7.66	8.45
Mauritius	30.02	17.80	35.08	29.73
Mozambique	0.28	0.25	7.58	8.20
Namibia	8.32	5.35	19.19	21.76
Seychelles	-	-	-	-
South Africa	12.29	11.96	34.03	34.74
Swaziland	2.78	2.88	25.85	25.58
United Republic of Tanzania	2.03	3.08	5.96	8.67
Zambia	2.74	3.43	10.52	15.17
Zimbabwe	4.63	2.90	15.77	13.33
SADC	5.87	5.58	17.25	18.12

Source: ILOSTAT database (accessed 15 September 2017).

Note: SADC: Southern African Development Community.

This section focuses on the key issues related to export-oriented industrialization in SADC and its impact on women in the region. The section first discusses the impact of export processing zones on women, then examines the trade-gender nexus in the manufacturing sector, and finally evaluates the impact of trade openness on total female employment and female employment inequalities.

### 3.1 Export processing zones and their impact on women in SADC countries

In the 1960s, developing countries started to implement export-oriented economic policies to promote exports and integration with global markets. In a number of these countries, export-oriented economic policies led to the establishment of so-called export processing zones (EPZs). The International Labour Organization (ILO) describes EPZs as “industrial zones with special incentives to attract foreign investors, in which imported materials undergo some degree of processing before being exported again. They offer firms free trade conditions and a liberal regulatory environment, aiming to facilitate the entry in the world market” (ILO, 1996).

EPZs vary significantly from one country to another; however, it is possible to identify a common trend on a global scale: they have contributed to a generalized “feminization of labour,” particularly in the textile and

garment sectors. This term refers to the rise in the female share of employment as well as to the extension of insecure working conditions to men working in traditionally female jobs (Standing, 1989, 1999).

As far as SADC is concerned, 11 member states have set up various forms of EPZs: Botswana, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Zambia, and Zimbabwe. While finding updated information on EPZs in sub-Saharan Africa, including the SADC region, is difficult, table 11 presents some stylized facts related to EPZs as of 2007 in the SADC countries for which relevant data are available.<sup>59</sup>

Table 11 shows that labour-intensive sectors such as food processing, textiles, and garments are the leading sectors in SADC EPZs. Although the information on female employment shares is often missing, the available data on EPZs seem to suggest they present job opportunities for women. Finally, the values of EPZ exports (as a share of total exports) indicate the relevance of EPZs for the economy.

Cirera and Lakshman (2014) summarize the literature on EPZs in developing countries. Although the authors are unconvinced about the feminization of EPZs at the global level, this phenomenon seems to have occurred in the SADC region. An important issue to be taken into account when discussing the impact of

Table 11

**Export processing zones in SADC countries**

Country	Total employment	Female share	Main sectors	Export processing zone exports as a percent of total exports
Lesotho	44,000		Clothing and textile products, brick manufacturing, pharmaceuticals	80
Madagascar	115,000	71.1	Food processing services, timber, watches	80
Malawi	29,000	51	Tobacco, tea, coffee, macadamia nuts, rice, confectionery, ceramics, textiles, crafts, farm implements, fishing flies, furniture, gemstones, enamelware, rubber, live tropical fish, flowers, buses and trailers	
Mauritius	65,512	62.6	Food, flowers, textile, leather products, wood and paper products, optical goods, electronic watches and clocks, electric and electronic products, jewellery, toys and carnival articles	42
Mozambique			Textile, agriculture	85
Namibia	29,000		Warehouses, food processing, aquaculture, mining, tourism, fisheries	41
Seychelles	2,200			
South Africa	535,195			
Zimbabwe	22,000		Food processing, timber processing, shoes, textiles and leather, satellite telecommunications, tobacco	80

Sources: Boyenge (2007); and the International Labour Organisation database on export processing zones.

Note: SADC: Southern African Development Community.

EPZs on women in southern Africa is labour legislation, since national governments tend to allow derogations to labour rights in the EPZs to attract foreign investment.<sup>60</sup> This has an impact on the quality of employment in the EPZs, which has indeed has been questioned.

Wick (2010) states that among the 130 economies with EPZs, only four – People's Republic of China, Republic of Korea, Mauritius, and Taiwan Province of China – made clear progress in integrating EPZ activities into the local economy and a successful industrialization process, while labour-intensive EPZs in other countries contributed only minimally to economic growth and development (box 6).

Although EPZs had been female-dominated until the early 2000s, as observed by Milberg and Amengual (2008), the feminization of employment in EPZs seems to have passed its zenith, and has since been in decline at the global level. This decline in the women's employment share, a phenomenon called the "defeminization of labour," appears to be a general phenomenon in industry, not only confined to EPZs. For example, in their study of 62 high- and middle-income countries, Tejani and Milberg (2016) observe that making products with higher technological content or more value-addition – a process called

industrial upgrading – tends to create an anti-female bias in labour demand.

Cling et al. (2007) state that starting in 1995 a process of labour defeminization occurred in the "Zone Franche" in Madagascar, with the share of female workers falling from 84 per cent in 1995 to 69 per cent in 2006 due to the adoption of more advanced technology and a change in the industrial composition of export processing firms. According to Tandrayen-Ragoobur and Ayriga (2012), the fall in female employment, or defeminization of labour, led to the "feminization of poverty" in Mauritius (see box 6).

In conclusion, most SADC countries have set up EPZs. At least in the early phases, the zones seem to have contributed to the process of labour feminization. However, available data suggest that EPZs, similar to other sectors outside the EPZs, are now facing the opposite phenomenon, which is labour defeminization. Ultimately, it remains unclear whether growth in EPZs is ultimately beneficial to women, and hence to the objective of gender equality. As observed by Glick and Roubaud (2004), the impact of EPZs on women varies significantly from one country to another, and it is essentially context-related, depending mainly on the structure of the country's society and the characteristics of the EPZs.

Box 6

**Export processing zones in Madagascar, Mauritius, and Namibia**

- The “Zone Franche” export processing zone (EPZ) established in the 1990s in Madagascar shows some basic patterns present elsewhere in the developing world as well. It mostly employs a female, semi-skilled, and young workforce, and it provides a significant step-up in pay for women. In 1995, there were more working women in the Zone Franche than in the rest of the formal private sector. In 2006, women represented 70 per cent of the workforce in the Zone Franche, and the EPZ’s female workforce represented 15 per cent of all female employees. The Zone Franche provided the only access for many women to better-paid alternatives to informal sector work. Moreover, marriage did not seem to be an obstacle to employment, since the share of married employees was very similar for men and women. Women employed in Madagascar’s garment industry were found to have a somewhat lower but generally comparable level of education than men. Nonetheless, the large majority of women were relegated to unskilled jobs paying low wages, while men tended to occupy high-wage skilled positions. Increases in wages were limited to skilled workers only, while unskilled wages were kept low by the existence of a vast pool of unemployed or underemployed individuals. This resulted in an increase in the gender wage gap between men and women from 20 per cent to about 30 per cent (UNCTAD, 2009). However, Glick and Roubaud (2006) contend that although wages for women in the Zone Franche are lower than elsewhere, they are still higher than in the informal sector, which also mostly employs women. Therefore, according to the authors, when a woman moves from working in the informal sector to being employed in the EPZ, she benefits from an improvement in salary and, in turn, reduces the gender wage gap.
- Starting in the 1970s, Mauritius adopted export-oriented industrialization policies that led to the implementation of EPZs and a consequent “feminization of labour.” In the period 1990–2003, women represented two-thirds of the EPZ workforce (Nowbutsing and Ancharaz, 2011). Many women were reported to be working overtime, since the overtime rate was higher than the regular wage rate, but still lower relative to the male overtime wage rate. Overtime was reported to often be an obligation. As far as wages are concerned, they were higher than in the informal sector and in the formal non-garment sector. However, women received lower wages than men, as they were concentrated mainly in lower-skilled jobs. Blin (2006) states that women employed in EPZs have long working hours and work under poor safety conditions and with little job security. Therefore, export-oriented economic policies in Mauritius have perpetuated the gender wage gap and the creation of employment characterized by poor labour conditions. Moreover, as stated by Tandrayen-Ragoobur and Ayrga (2012), with the phasing out of the Multi-Fibre Agreement (MFA) in 2005, Mauritius saw a retrenchment of the clothing industry whose effects were more harmful to women than to men; 85 per cent of workers who remained unemployed were women. Furthermore, the female indigenous workforce has gradually become more expensive and could not produce as much as expected by factory owners to meet the challenges of the world market; as a result, those women were replaced by foreign workers. Otobe (2015) observes that following the end of the MFA, the 2008 global financial crisis had further negative effects on the clothing and textile sectors. This also resulted in an overall decline in women’s employment in the EPZs.
- Namibia passed the Export Processing Zones Act in 1995. The act went as far as suspending the application of the Labour Act in EPZs, which the government described as necessary to allay investors’ fears of possible industrial unrest. Ramatex, a clothing and textile factory, began its operations in Namibia in 2002. Jauch (2008) notes widespread abuses of workers in Ramatex such as forced pregnancy tests for women who applied for jobs, non-payment for workers on sick leave, very low wages and no benefits, insufficient health and safety measures, no compensation in case of accidents, abuse by supervisors, and open hostility towards trade unions. The factory closed in 2008 amid many controversies about its employment conditions and spillovers to the rest of the economy.

### 3.2 Trade liberalization in manufacturing and its effects on women in the SADC region

Since its establishment, the SADC has shown commitment towards trade liberalization, both within the region and towards external trading partners. As stated in the Introduction, the Economic Partnership Agreement (EPA) with the European Union and the Triple Free Trade Agreement (TFTA) with the Common Market for East and South Africa (COMESA) and the East African Community (EAC) can be considered as the most significant efforts in this context. This section examines the effects of trade liberalization on women in manufacturing in the SADC region.

#### 3.2.1 The channels through which trade liberalization in manufacturing affects women’s employment and wages

As explained in Module 2 of the core training manual (UNCTAD, 2014), the expected effects of trade liberalization on women’s employment and wages are different in the standard neoclassical theory and in the heterodox approach. In addition, there are multiple transmission channels through which trade affects employment and wages. Trade directly affects the gender wage gap and female employment. Trade indirectly affects consumption patterns by changing the relative prices of goods and services. These changes affect women and men differently. The analysis that follows provides an evaluation of the production transmission channel.

The empirical literature shows that trade could generate an advantage or disadvantage for women in manufacturing by causing a change in the sectoral composition of the economy. Previous findings suggest that there is no clear pattern in the effect of trade on gender, as the overall impact tends to be specific to the country, trade structure, and sector composition. Several studies, including Wood (1991), Joekees (1995), and Seguino (1997), find a positive association between increasing exports and the female share of employment in some developing countries. This expansion in women's employment is due to gender segregation and gender biases emerging particularly in labour-intensive, low-value-added, and low-wage export industries such as garments, textiles, leather, etc., in which the quality of jobs and prospects for advancement are limited.

The process of "feminization of labour," which has typically characterized the early phases of industrialization in developing countries, may be reversed over time. For instance, as industries mature, they expand in capital-intensive sectors.<sup>61</sup> Note that, as observed by Caraway (2006) and later studied by Kucera and Tejani (2014), the concepts of feminization and defeminization largely depend on the reallocation of male and female employment between sectors, rather than changes within sectors.

A recent line of research explicitly takes skill levels of female employment into account when evaluating the impact of trade on outcomes for women. This avenue of literature builds on the framework of the new trade models.<sup>62</sup> According to this view, heterogeneous firms choose between old and new technologies that require different combinations of production (blue-collar) and non-production (white-collar) tasks.<sup>63</sup> For example, Juhn et al. (2013, 2014) find that women become more productive in blue-collar jobs in the new technology. With trade liberalization, some firms start exporting and upgrading their technologies. This improves women's labour market outcomes in production tasks while leaving employment in non-production tasks unaffected. A similar approach employed by UNCTAD (2017a) to assess the impact of trade liberalization on gender for the COMESA region revealed qualitatively similar results.

Finally, as mentioned in UNCTAD (2014), another transmission channel between trade and gender involves import competition effects. In this respect, the employment gains of women in some countries as a result of export-oriented policies do not negate the possibility that these gains may have come at the expense of women workers in other countries.<sup>64</sup> With increasing trade, some

domestic production will be replaced by imports, which will adversely affect female employment if those contractions due to import competition mostly influence the sectors where women work more intensively. On the other hand, as observed by Al Azzawi (2014), the import competition could be either beneficial or disadvantageous for women depending on the competition structure of an economy.

### 3.2.2 Estimating the effect of trade liberalization on women in the manufacturing sector in the SADC

This section empirically examines the trade-gender nexus by considering the gender impact of SADC trade liberalization efforts. In this context, the section examines the effects of tariff changes on women's employment in the manufacturing sector, distinguishing between trading partners. In the analysis, the non-SADC group includes the main trading partners of the SADC region: sub-Saharan Africa, the European Union, and "other trading partners" (used as a residual category). Sub-Saharan Africa has particular importance in the non-SADC group because it mainly consists of future TFTA countries; as a result, sub-Saharan Africa could be seen a proxy for the TFTA group. In this respect, this analysis could give an indication of the possible impact of the SADC's future trade agreements on women's labour market outcomes.

This section examines the effect of tariff liberalization of SADC and non-SADC trade partners on female employment in SADC member countries using firm-level data from the World Bank Enterprise Surveys (WBES).<sup>65</sup> The WBES is available for all SADC members except Seychelles.<sup>66</sup> In the empirical analysis, the female-to-male employment ratios (used as a measure of the gender employment gap) are reported for both production and non-production occupations across sectors. The goal of the analysis is to explain variations in the gender employment gap across sectors.

Tariff data are collected from the World Integrated Trade Solution (WITS) database. Tariff variables are defined as import tariffs and export tariffs. Export tariff change measures the average export duty change faced in the destination countries; import tariff change measures the average tariff change imposed on imports. Therefore, in the case of the SADC, export tariffs are not set by SADC countries, but by their trading partners; import tariffs are instead determined by the SADC member states themselves. The change in export and import tariffs in a given sector is calculated as the difference between the average tariff rates applied before the surveyed year and those applied in the survey year. Hence, a

larger positive number for a tariff rate variable indicates a higher tariff reduction in a sector and implies greater trade liberalization.<sup>67</sup>

The analysis that follows estimates the impact of tariff changes on female-to-male employment ratios in order to evaluate the effect of trade liberalization on the gender employment gap.<sup>68</sup> Both export and import tariff measures (considered separately) are used to assess the impact of trade liberalization on women's labour market outcomes. Increased trade liberalization allows some firms to become more export-oriented, and in this way, their production capabilities would improve. In this context, export tariffs measure the degree of trade liberalization in a particular export market for SADC firms. In addition, trade liberalization also affects non-exporting firms by increasing import competition in the SADC market.

The results suggest that tariff changes have a significant impact on female-to-male employment ratios. Moreover, the effect of tariff changes on labour market outcomes differs depending on the trading partners. This is linked to possible differences in traded products or specialization patterns. The discussion on the export and import competition channels is presented separately.

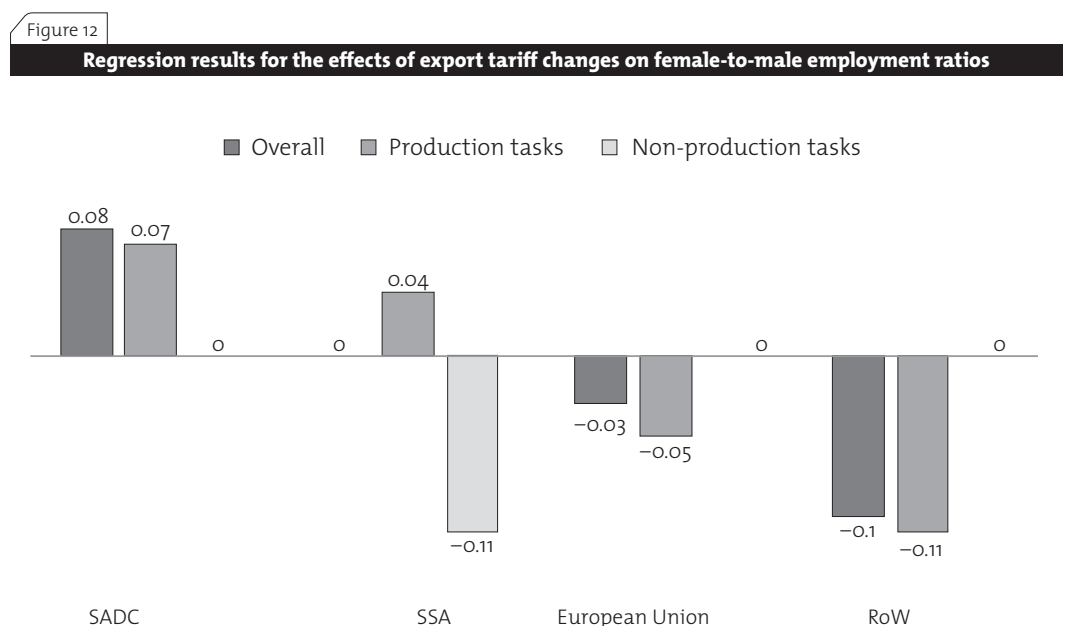
### 3.2.2.1 Impact of trade liberalization through the export channel

To evaluate the impact of trade liberalization through the export channel, the analysis

focuses on exporting firms. The findings reveal that the effect of both export and import tariff changes on women's employment varies across trading partners (as a result of differences in traded products or specialization patterns) and varies depending on women's skill levels. The estimates suggest that trade liberalization has a different impact on women's employment in production tasks, non-production tasks, and overall, depending on the trading partner. The results reveal that both female employment outcomes overall and in production tasks of exporting firms are negatively related with import tariff decreases imposed on goods from sub-Saharan Africa. Conversely, reducing tariffs on imports from sub-Saharan Africa positively affects female employment in non-production tasks in exporting firms.

The results also show that import tariff reductions with the European Union have a positive association with female employment in white-collar jobs (non-production tasks) of exporting firms. Conversely, trade liberalization within SADC and with rest of the world seems to create a negative import competition impact on the female-to-male employment ratio in non-production tasks of exporting firms.<sup>69</sup>

Figure 12 summarizes the results of estimates for the impact of changes in export tariffs on labour outcomes of women relative to men. The figure is derived from the estimated coefficients that are provided in table A1.3 in Annex 1.



Source: Calculations by the UNCTAD secretariat based on the results of table A1.2 in Annex 1.

Notes: The reported coefficients give the percentage impact of a 1 per cent decrease in the SADC and non-SADC export tariffs on the female-to-male employment ratio in sub-sectors of manufacturing; RoW: rest of the world; SADC: Southern African Development Community.

- The effect of export tariff reductions on intra-SADC trade

According to the results, export tariff reductions in intra-SADC trade positively affect the female-to-male employment ratio.<sup>76</sup> However, the effects are different for female workers in production tasks and for those in non-production tasks. More specifically, a decrease in export tariffs within the region increases the female-to-male ratio in production tasks, whereas it has no impact on female employment outcomes in non-production tasks. This finding is in line with the expectations of Juhn et al. (2013, 2014) discussed in Section 3.2.1 that trade-induced technological upgrading resulting from tariff reduction increases the productivity of female production workers and increases their relative employment opportunities by reducing the required physical effort. On the other hand, tariff reduction does not affect female employment outcomes in non-production tasks.

- The effect of export tariff reductions on trade with non-SADC countries

The estimates suggest that as a result of a decrease in the export duties faced by SADC exports in destination markets within sub-Saharan Africa, the female-to-male employment ratio rises in production tasks. Conversely, female employment compared to male employment in non-production jobs seems to be negatively affected.

Looking at export liberalization with the European Union and the rest of the world, there are two key results: first, export tariff reductions with those two partners do not have any effect on employment in non-production tasks; and second, a decrease in export tariffs with the European Union is associated with a relatively small reduction in the overall female-to-male employment ratio and female employment in production tasks. Similarly, the overall female-to-male employment ratio and the female-to-male employment ratio in production tasks fall by approximately 0.10 per cent and almost 0.11 per cent, respectively, as a result of a 1 per cent decrease in world export duties faced by SADC exports in the rest of the world destination markets (*ceteris paribus*).

The negative association between trade liberalization in the European Union and the rest of the world with female employment outcomes in production tasks can be explained by the growth of export-oriented production activities that disproportionately employ men, in turn confirming the process of defeminization. The contraction of exports due to the 2008/2009 global financial crisis, which mostly coincides

with the time span of the dataset used here, seems to be strengthening this argument.

Finally, the magnitude of the estimates reveals that female employment outcomes in the SADC region are affected by tariff reductions occurring in the rest of the world, within the SADC, and in sub-Saharan Africa to a more considerable extent than in the case of the European Union. The tariff reduction faced by SADC exports in the European Union market seems to have a minor impact on female employment in SADC.

### 3.2.2.2 Impact of trade liberalization through the import channel

The reduction in tariffs imposed on imports into the SADC region lead to an increase in import competition, in turn possibly affecting female labour market outcomes. To assess the impact of trade liberalization through the import competition channel, this section presents the estimates for all firms as well as for exporting firms only.<sup>77</sup> As in the case of agriculture, the results for trade liberalization in intra-SADC and non-SADC trade will be discussed separately. Figure 13 presents the results of the estimates on the effects of import tariff reductions on the female-to-male employment ratio by occupation type and partner countries for all firms and for exporting firms only.

- The effect of import tariff reductions on intra-SADC trade

According to the results here, when all firms are considered, tariff reductions on imports coming from other SADC countries do not have any impact on female employment for overall workers and workers in production and non-production tasks. Reductions in import duties on intra-SADC trade, however, seem to increase female employment in production tasks of exporting firms. Conversely, import tariff reductions tend to create a negative effect on female employment in white-collar jobs (non-production tasks) of exporting firms.

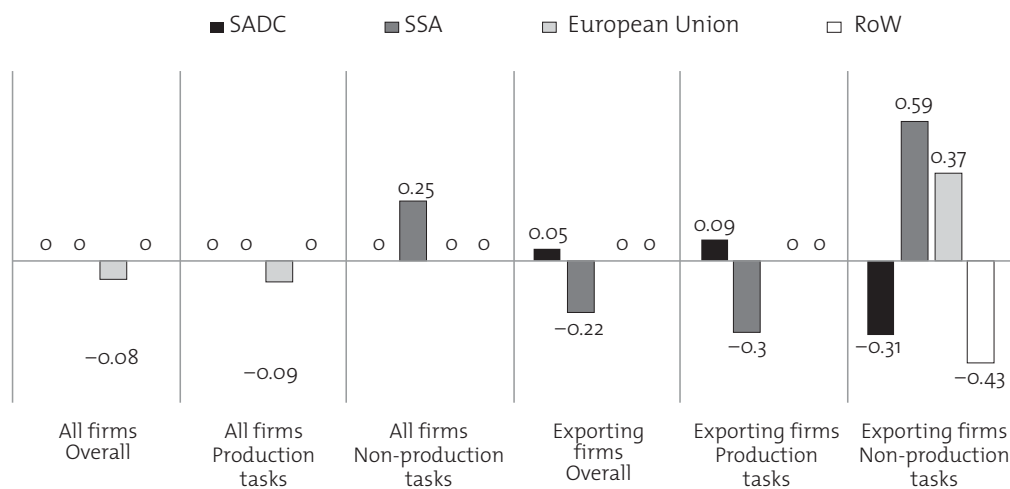
- The effect of import tariff reductions on international trade (i.e. trade with non-SADC countries)

The results suggest that the change in import duties on goods purchased from the European Union has a significant effect on the female-to-male employment ratio when all firms are considered. The estimates reveal that a decrease in import tariffs on products from the European Union leads to a reduction of overall female employment and female employment in production tasks when all firms are considered. Therefore, trade liberalization with the European Union seems to create a negative import competition effect on women's employment



Figure 13

Impact of import tariff changes on female-to-male employment ratios, selected regions



Source: Calculations by the UNCTAD secretariat based on the results of table A1.3 in Annex 1.

Notes: The reported coefficients give the percentage impact of a 1 per cent decrease in the SADC and non-SADC import tariffs on the female-to-male employment ratio in sub-sectors of manufacturing. RoW: rest of the world; SADC: Southern African Development Community; SSA: sub-Saharan Africa.

Table 12

Summary of the impact of trade liberalization on female employment in the manufacturing sector in the SADC

	Overall		Production tasks		Non-production tasks	
	All (I)	Exporting (II)	All (III)	Exporting (IV)	All (V)	Exporting (VI)
Export channels						
Percentage change in export tariff – SADC	(+)	(+)	(+)	(+)	(+)	
Percentage change in export tariff – sub-Saharan Africa				(+)		(-)
Percentage change in export tariff – European Union		(-)	(-)	(-)	(-)	
Percentage change in export tariff – rest of the world	(-)	(-)	(-)	(-)	(-)	
Import channels						
Percentage change in import tariff – SADC		(+)		(+)		(-)
Percentage change in import tariff – sub-Saharan Africa		(-)		(-)	(+)	(+)
Percentage change in import tariff – European Union	(-)		(-)			(+)
Percentage change in import tariff – rest of the world						(-)

Source: Calculations by the UNCTAD secretariat.

Note: Signs of the significant estimates based on the results of table A1.3. in Annex 1.

SADC: Southern African Development Community.

outcomes. On the other hand, when all firms are considered, women workers in non-production tasks seem to benefit from import competition with sub-Saharan Africa.

Table 12 summarizes the results discussed above, distinguishing between the export and the import channel, and between total employment (“overall”), production tasks, and non-production tasks.

3.2.3 Gender wage inequalities in the SADC manufacturing sector

As shown by Oelz et al. (2013), in almost all countries for which data exist, on average female wages are lower than those of men for work of equal value. As pointed out in UNDP (2016b), pervasive gender wage differentials persist in sub-Saharan Africa. Gender wage gaps account for the overrepresentation of women among the

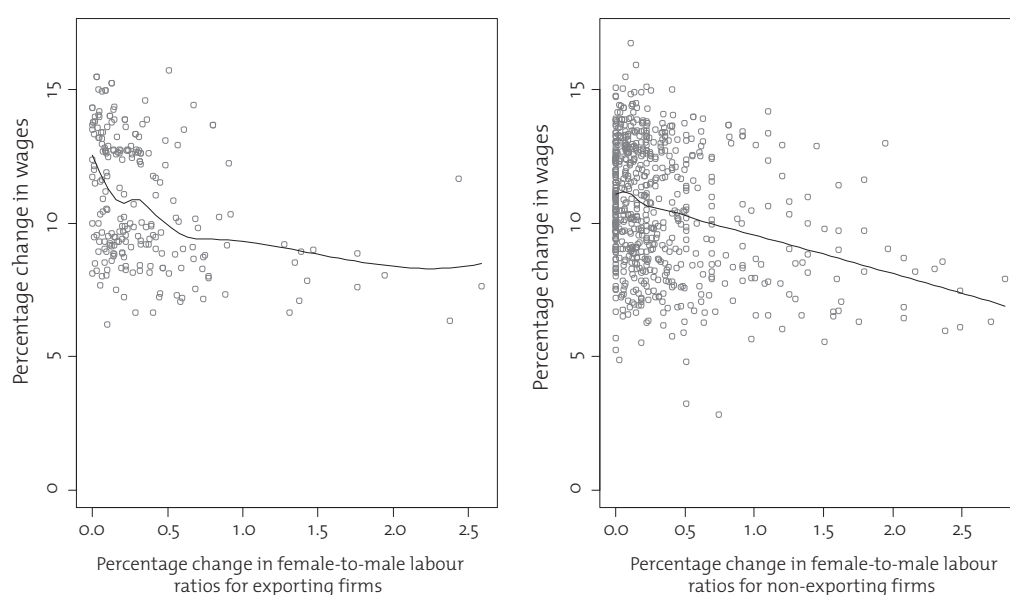
working poor in sub-Saharan Africa, but there is wide variety in the magnitude of the gender wage gap in the SADC region. SADC (2015c) reports that the proportion of average earnings of women compared to men varies between 43 per cent in Mauritius and 93 per cent in the United Republic of Tanzania.<sup>72</sup>

Due to the lack of quality data, it is hard to conduct a causality analysis between trade and wages for the manufacturing sector in the SADC region. Nevertheless, WBES datasets used in the previous analysis contain yearly

salary payments issued by firms. This piece of information allows for analysing the relation between wages and female employment at the firm level. Accordingly, the following analysis relates firm-level average wages (calculated as the total monthly salary payment divided by the number of workers from both blue- and white-collar tasks) with the female-to-male employment ratios. Figure 14 plots the firm-level average monthly wage with the corresponding female-to-male employment ratio along with trend lines for exporting and non-exporting firms.

Figure 14

### Wages and female-to-male labour ratios for exporting and non-exporting firms in the SADC



Source: Calculations by the UNCTAD secretariat based on the World Bank Enterprise Surveys.

Note: SADC: Southern African Development Community.

The fitted curves in figure 14 hint at three key observations. First, as the female-to-male employment ratio increases, average wages decrease. In other words, average wages tend to decline with the increases in the female-to-male employment ratio in manufacturing. This observation holds true for both exporting and non-exporting firms. Second, the curve for exporting firms is steeper for small values of the female-to-male employment ratios as compared to their non-exporting counterparts; on the other hand, the situation reverses as the female-to-male employment ratios get higher. That is to say, the negative relation between wage and female employment is more striking for the exporting firms with a small female workforce; however, the contrary is true for exporting firms employing a larger number of female employees. Finally, for almost all female-to-male employment

ratios, the fitted line for exporting firms lies above the line for non-exporting firms. This positional difference in the lines reveals that the average wage in exporting firms is higher than in non-exporting firms. Given that the time span of the dataset coincides with the period when trade liberalization took place with various trading partners, it could be considered that trade liberalization had a positive effect on average wages. However, one must be cautious about reaching such a general conclusion, since this framework does not allow for testing a causality relationship between average wages and female employment. Therefore, the higher wages for exporting firms could be the result of other factors, including hiring relatively more productive workers with more experience and better training or employing more intensively white-collar workers.

### 3.3 Estimating the gender impact of trade openness in the industrial sector

What is the effect of increased trade openness on gender employment outcomes in the SADC industrial sector?<sup>73</sup> As discussed in the core teaching manual (UNCTAD, 2014), increased exports and imports affect the structure of male- and female-intensive industries differently as a result of how trade affects the sectoral composition of the economy. For example, an increase in labour-intensive exports with low technology intensity, such as textiles and garments, is often accompanied by an increase in female employment. On the other hand, if exports increase in industrial sub-sectors such as mining and quarrying, female employment tends to decline because these industries tend to be male-dominated. Similarly, import competition could negatively affect women’s employment by creating a contraction in the sectors where women work intensively; alternatively, greater import competition could create a positive effect on female employment by eliminating previously existing discriminatory behaviours against women. Ultimately, the net results are an empirical issue.

#### 3.3.1 The impact of trade openness on female employment in the industrial sector

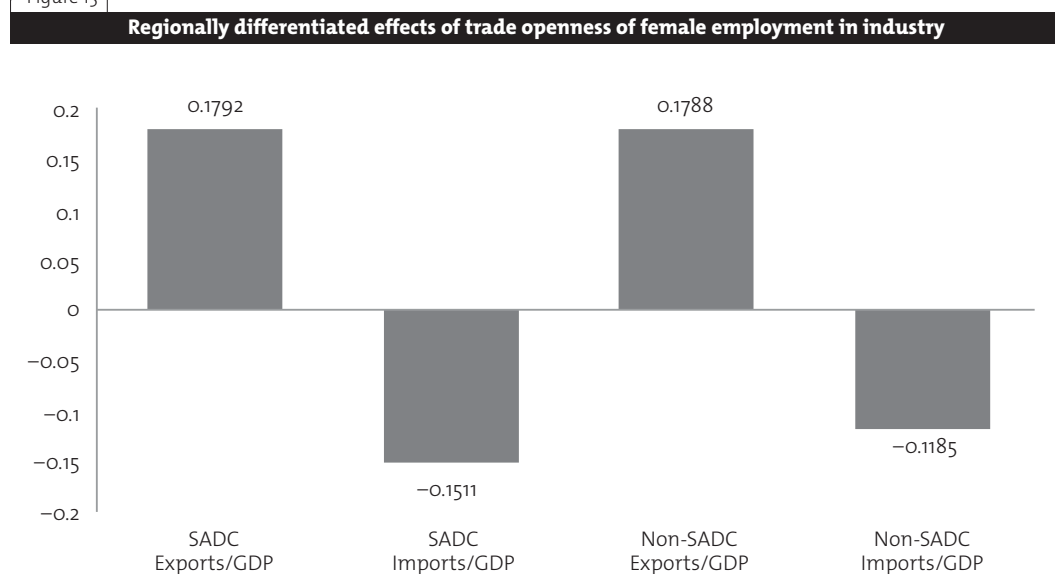
Table A1.4 in Annex 1 presents the results related to the effects of trade openness on female employment in industry. According to the findings, trade openness has no significant effect on women’s employment shares in this sector. However, when looking at the impact of

the export-to-GDP and import-to-GDP ratios, the analysis reveals more interesting results. On the one hand, the female share of employment in industry is positively related to increasing exports (measured as a share of GDP). This may be explained by an expansion of female-intensive activities as total exports rise.<sup>74</sup> On the other hand, imports (as a share of GDP) have a negative effect on women’s employment share in industry. In other words, the estimates reveal that female employment decreases as imports increase. According to this effect, trade liberalization seems to be associated with job destruction for women through import competition. In particular, this could be explained by the surge of cheap imports coming from the People’s Republic of China.

The analysis continues by examining whether exports and imports have regionally differentiated effects on women’s employment. Figure 15 summarizes the regionally differentiated effects of exports and imports (measured as a share of GDP) on women’s employment in industry. In particular, the analysis distinguishes between intra-regional trade and trade with external partners.

Based on the findings, the female employment share in the industrial sector is positively associated with increased export shares for both SADC and non-SADC trading partners. These two effects are also almost identical in magnitude. This seems to indicate that female-intensive industries have expanded as a result of an increase in both SADC and non-SADC exports. On the other hand, when looking at the impact of SADC and non-SADC import shares, the estimates

Figure 15



Source: Calculations by the UNCTAD secretariat based on the results of table A1.4 in Annex 1.

Note: SADC: Southern African Development Community. The reported coefficients give the impact of a 1 percentage point increase in the SADC and non-SADC export and import shares of GDP on total female employment in broad sectors of SADC countries.

reveal that both have an adverse effect on female employment. This seems to indicate that imports have displaced domestic industrial products, especially in sectors that are female-dominated.

### 3.3.2 The impact of trade openness on the gender employment gap in industry

This section examines the effect of trade openness on the gender employment gap in industry. Table A1.4 in Annex 1 presents the results, which reveal that overall trade openness has no significant effect on the gender employment gap in industry. When looking at the impact of export and import shares, their magnitudes are very small. This indicates that both export and import shares (also considered at the regional level) have almost no effect on the gender employment gap.

In conclusion, the findings for industry seem to indicate that greater trade openness through regionally expanding exports and imports affect women's employment. However, since the gender employment gap seems to remain unchanged following increased trade openness in the sector, male employment must be affected in a similar way.

## 4 Trade and gender in the service sector

This section explores the interplay between trade and gender in the service sector in the SADC region. Due to the lack of quality data on the informal sector, the focus is on formal services. The analysis presents the developments in the service sector in the region, with a specific focus on the growing relevance of this sector for women's employment. The analysis continues with an assessment of gender outcomes associated with tourism – the largest share of service exports – and an evaluation of how trade has affected women's employment in the service sector.

### 4.1 The role of services and SADC service liberalization

The development of services is essential both for a country's aggregate productivity and for its participation in global value chains. Many services, such as financial services, telecommunications, transport services, and business, contribute to the production and sale of other goods and services. Retail and wholesale distribution is key for business competitiveness and profitability, and energy is at the centre of a country's sustainable development. Finally, health and education are essential determinants of social well-being.

Since the early 1980s, economic activities in the global economy have been increasingly organized around global value chains. Transnational corporations have divided production processes into segments and – based on profitability calculations – have located different segments of production in various parts of the world. A primary factor that explains a country's participation in global value chains is trade costs. High transport costs explain why many sub-Saharan countries are not part of manufacturing value chains. In addition, services (especially finance, electricity, water, and telecommunications) now represent the main sector attracting FDI in the world economy (Balchin et al., 2016; UNCTAD, 2010).

Improving the availability and the efficiency of the service sector is, therefore, key for development and for successful integration in the world economy. Trade can be instrumental in providing opportunities for employment and stimulating efficiency. As discussed in Module 3, however, trade policies need to be designed to account for the specific constraints faced by women in order to prevent gender inequalities from becoming more acute (Coste and Dihel, 2013; Staritz and Reis, 2013).

In SADC, services are now a primary source of economic growth. On average, services contribute to over 50 per cent of the region's GDP. In Seychelles and Mauritius, services even contribute to 73 and 85 per cent of economic growth, respectively. According to the World Bank's 2017 World Development Indicators, despite heterogeneity across countries, over the last decade the contribution of services has grown in all SADC countries. Only the Democratic Republic of the Congo and the United Republic of Tanzania have experienced a decline.

Following liberalization policies in the service sector in the early 1990s that provided limited market access to foreign suppliers of services, in 1995 all SADC member states (except the Seychelles<sup>75</sup>) became members of the World Trade Organization (WTO) and undertook binding liberalization commitments through the General Agreement on Trade in Services (GATS). The Protocol on Trade in Services signed in 2012 by SADC members emphasizes their obligations under the GATS. It does not contain requirements for liberalization, but instead establishes a mandate to "progressively" negotiate the elimination of obstacles to the free movement of services. Specifically, it states the desire to create a single market for trade in services to achieve sustainable development.<sup>76</sup>

Figure 16 shows the values of service imports and exports for the individual SADC countries

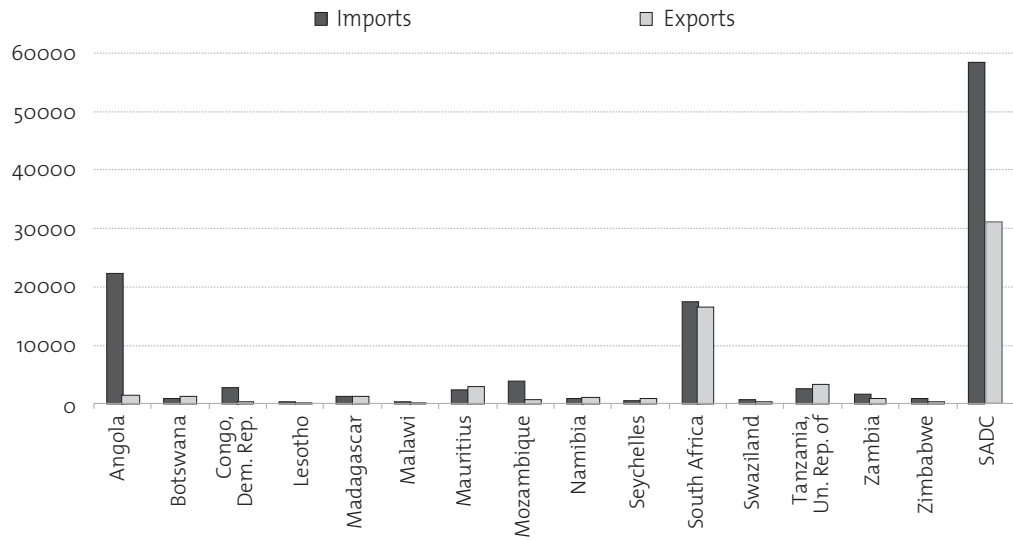
and the region as a whole, considered as an average for the period 2012–2015. The area is a net importer of services, with an average trade deficit in the service sector of about US\$27 million for the period indicated. Based on UNCTAD data, the share of each country has remained substantially unchanged in the region in comparison to the same average between 2005 and 2007 (i.e. before regional integration). The magnitude of service

trade flows, however, has increased during the process of regional integration.<sup>77</sup> The most striking change involves Angola, where imports of services almost tripled between 2005 and 2015.

Figure 17 shows the basket of services imported and exported by the SADC in 2016. Travel was the largest source of exports, contributing about 60 per cent of total export value. South

Figure 16

**Services imports and exports, average for 2012–2015 (millions of US\$)**

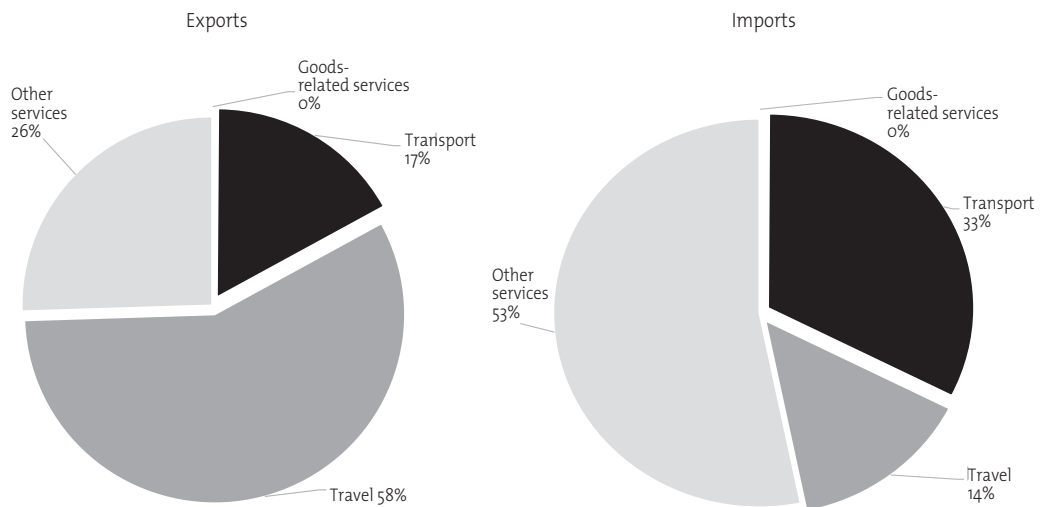


Source: UNCTADstat (accessed 20 October 2017).

Note: For Zimbabwe, data are available only for 2012; for the Democratic Republic of the Congo, Lesotho, and Zambia, data are not available for 2015. Based on UNCTAD statistics, services are classified into the following four main categories: goods-related services, transport, travel, and other services. Other services are further disaggregated into the following: construction, insurance and pension services, financial services, charges for the use of intellectual property n.i.e., telecommunications, computer and information services, other business services, personal, cultural and recreational services, government goods and services n.i.e., and services not allocated. SADC: Southern African Development Community.

Figure 17

**Composition of SADC services imports and exports, 2016 (per cent)**



Source: UNCTADstat (accessed on 25 October 2017).

Note: SADC: Southern African Development Community.

Africa is the primary site for tourism in the region, accounting for 58 per cent of SADC travel revenue. The category "Other services" accounted for about one-fourth of total export value (26 per cent), followed by transport (17 per cent). Other services also constituted about half of total import revenue, followed by transport (33 per cent) and travel (14 per cent). Goods-related services – which consist of "manufacturing services on physical inputs owned by others and maintenance and repair services n.i.e." (WTO, 2017: 80) – are not part of the SADC trade basket.

#### 4.2 The relevance of the service sector for women's employment

At the global level, slightly more than half of the world's workforce is employed in the

service sector (50.1 per cent). Around 43 per cent of men and about 62 per cent of women work in services (ILO, 2016).

Looking at individual SADC countries, consistent with the structural diversity of the economies, there is great variation across countries in the degree of female employment in the service sector. Table 13 shows the share of female and male employment in the sector, comparing the average value in 2009–2016 with the average value in 2001–2008 in order to evaluate potential changes since the creation of the SADC FTA.<sup>78</sup> In many SADC countries, the share of women employed in the service sector is well above the share of men, and this holds true in both the periods considered. Angola, Mauritius, and South Africa have the largest shares of female employment in the sector.

Table 13

**Male and female shares of employment in services, averages for 2001–2008 and 2009–2016 (per cent)**

	Female		Male	
	2001–2008	2009–2016	2001–2008	2009–2016
Angola	65.44	71.55	45.58	46.84
Botswana	69.06	68.29	46.56	48.04
Democratic Republic of the Congo	18.60	20.81	30.76	32.94
Lesotho	43.00	52.36	21.78	27.96
Madagascar	16.26	18.32	14.32	13.87
Malawi	16.30	18.18	29.82	32.43
Mauritius	61.93	76.31	54.18	62.24
Mozambique	13.84	14.30	26.48	27.48
Namibia	62.02	65.58	45.84	46.95
South Africa	81.32	84.58	55.40	58.70
Swaziland	50.91	53.04	64.09	65.64
United Republic of Tanzania	18.94	24.12	20.66	24.59
Zambia	16.82	26.20	24.22	36.05
Zimbabwe	18.09	25.31	23.13	23.76
SADC	34.79	37.46	33.13	35.44

Source: ILOSTAT (accessed on 25 October 2017).

Note: Figures are not available for Seychelles. SADC: Southern African Development Community.

Table 13 is informative about the quantity of employment, but it does not say anything regarding the quality of the jobs in the sector. Women tend to be concentrated in precarious, low-pay, and low- and mid-skilled service positions (e.g. retail, restaurants, low-end information and communication technology services, secretarial positions), with little opportunity for promotion. This seems to suggest that women do not have access to the same occupations as men. In addition, even when women work in the same occupation as men, they have fewer responsibilities and lower compensation than men, not for reasons related to education or experience (SADC, 2016; Staritz and Reis, 2013).

Table 14 presents the female-to-male employment ratios for sub-services for five SADC member states.<sup>79</sup> It emerges that in most of those countries, as compared to men, women are more heavily employed in retail trade, accommodation, and food and beverages service activities. It should be noted that, although female employment in financial services and insurance services appears to be high, the employment share of financial services in total services in these countries is very low.<sup>80</sup> For this reason, the total impact of this sub-sector on women's welfare is marginal. Additionally, women typically tend to hold more clerical occupations rather than managerial responsibilities.

Table 14

## Female-to-male employment ratios in sub-sectors of services in selected SADC countries

	Madagascar	Mauritius	Namibia	South Africa	United Republic of Tanzania
Construction	0.03	0.03	0.06	0.14	0.04
Wholesale trade	0.74	0.47	1.04	0.52	0.28
Retail trade	2.00	1.00	2.21	1.12	1.24
Land transportation	0.04	0.08	0.08	0.11	0.02
Accommodation	1.50	0.48	1.25	1.39	1.43
Food and beverages	2.86	1.29	3.55	1.69	5.16
Health activities	1.05	1.38	2.18	2.63	1.34
Telecommunications	0.80	0.33		0.56	0.50
Financial services	0.75	0.83	1.75	1.22	1.29
Insurance activities		1.00	1.00	1.86	1.00

Source: Calculations by the UNCTAD secretariat based on the data from ILOSTAT (accessed on 3 October 2017).

Note: The female-to-male ratios are calculated from the data points of 2012 for Madagascar, 2015 and 2016 for Mauritius, 2014 and 2016 for Namibia, and 2014 for South Africa and the United Republic of Tanzania. SADC: Southern African Development Community.

Concerning wages, although a significant gender wage gap exists for all occupation groups in the SADC region, wage differentials in the service sector are the highest compared to those in other occupation groups. For example, based on calculations by the UNCTAD secretariat, the gender wage gap in the service sector is 61 per cent in Angola, 46 per cent in Malawi, 38 per cent in Mauritius, and 35 per cent in South Africa.<sup>81</sup> Comparing the mean number of working hours per week shows that men and women in the sub-sectors tend to work about the same number of weekly hours, hinting that differences in work time cannot explain the gender wage gap. Women's job segregation in the service sector – with women prevalently holding low-to-medium-skilled jobs – is a major contributor to the unequal pay experienced by female workers.

### 4.3 Tourism and gender outcomes

The SADC region is endowed with abundant natural resources and favourable climatic conditions that present excellent investment opportunities in the tourism sector. The sector is, in fact, the largest source of export revenue – and therefore foreign exchange – in the region. Figure 18 illustrates the share of receipts from international tourism for each SADC country as a share of total exports. There is extensive variation across countries; for some countries, however, tourism constitutes an essential percentage of export earnings. For Mauritius and Seychelles, tourism makes up over a third of total exports; for the United Republic of Tanzania and Madagascar, it is close to one-fourth and one-fifth of total exports, respectively.

Since its establishment, the SADC has identified tourism as a priority and as an instrument for sustainable development. The Protocol on the Development of Tourism (1998) was introduced to increase regulatory cooperation among SADC

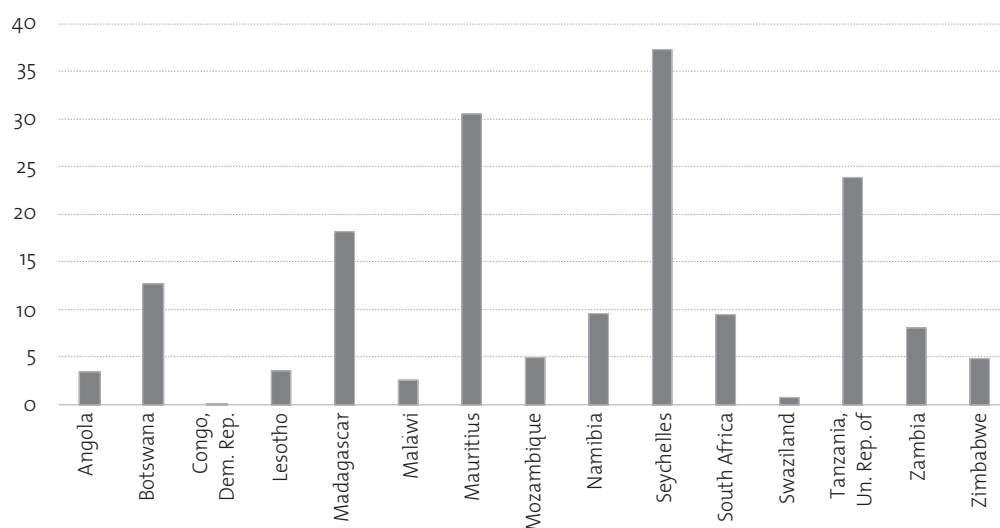
members by (i) developing common standards; (ii) sharing tourism statistical data; and (iii) improving the quality of tourism transport to boost and harmonize the sector across countries. The protocol states that improving the quality of service, safety standards, and physical infrastructure constitute the priority areas to increase the number of tourists and the level of investment in the region.<sup>82</sup>

Tourism offers income and entrepreneurship opportunities through jobs for high-skilled workers, but also for low-skilled workers, young people, migrants, and people entering the labour market for the first time without much opportunities in other sectors. This situation benefits women, especially those who have limited educational qualifications and who must opt for part-time work due to family responsibilities. However, women (more than men) tend to participate in the most vulnerable and most underpaid activities. In other words, the sector is marked by vertical and horizontal segregation that reflects stereotypes and cultural biases against women. In 2015, in Botswana only 66 tour guides were women, whereas in the United Republic of Tanzania fewer than 10 of about 2,000 tour guides were women (UNCTAD, 2017b).

Regarding workforce composition, worldwide women make up between 60 and 70 per cent of the tourism labour force, and half of those workers are aged 25 or younger. The hotel and restaurants sector, together with wholesale and retail trade, have the highest proportion of female employment, female ownership, and women in managerial positions (UNCTAD, 2017b).

Tourism has the potential to provide entrepreneurship opportunities with low investment requirements. It is estimated that across the world the tourism sector has twice

Figure 18

**International tourism receipts as a percentage of total exports, 2015**

Source: World Bank, World Development Indicators database (accessed on 25 October 2017).

Note: The latest data available for Madagascar are for 2013.

as many female employers as other sectors (WEF, 2017). However, gender gaps in women's entrepreneurship in the SADC region remain high. According to the 2017 Ease of Doing Business Index (World Bank, 2017), SADC countries continue to perform poorly in categories such as "getting credit" and "starting a business."

Women do not automatically benefit from trade liberalization in tourism. Indeed, most of the value added in the tourism sector is captured by foreign investors, international tour operators, and airline companies. Limited benefits remain within the country of destination and down along the tourism value chain. Strengthening cross-sectoral linkages and promoting diversification of both low- and high-value activities is essential to promote greater income opportunities and a fairer distribution of earnings in the sector (UNCTAD, 2017). This approach could also contribute to the protection of local environments and cultures. For example, women in the SADC

are heavily involved in small-holder agriculture (especially in horticulture). Thus, tourism outlets sourcing from small agricultural producers could provide jobs and entrepreneurship opportunities for women in the rural non-farm economy.

Based on UNCTAD (2017b), the following are possible measures to reinforce forward linkages and promote women's participation in the tourism sector:

- Supplying high-value horticultural products to tourism establishments
- Participating in new types of tourism activities, such as agri-tourism (see box 7)
- Facilitating market opportunities for local handicrafts by organizing markets in tourism establishment premises and through coordinated visits to local markets
- Using joint ventures to help ensure the transfer of economic benefits to local communities through rents, royalties, and lease fees.

Box 7

**Agri-tourism**

**Agri-tourism refers to tourism linked to agricultural products and facilities. It constitutes an innovative development with potential to benefit women's employment. Agri-tourism does not represent a break with farming, but rather the continuation of an active farm operation. The development of agri-tourism can also help provide women with economic incentives to protect traditions and natural resources at the basis of this activity. This would help avoid further degradation of natural resources and erosion of local cultures.**

In South Africa, small-holders have established successful agri-tourism-related activities in Limpopo Province. A project initiated there by a commercial enterprise harvesting baobab fruit over 2006–2010 hired over 1,500 harvesters, mostly unemployed women. The produce itself had a specific market of destination: it was sold as an ingredient for cosmetic and food markets. Additionally, because the largest baobab tree is in this area, many tourists visit there, opening up opportunities for women harvesters, who have responded with the development of agri-tourism activities such as farm-stays and tourist participation in harvesting and agri-processing.

Source: (UNCTAD, 2017b).



According to UNCTAD (2017b), public policies and tourism enterprises can play a significant role in empowering women economically. UNCTAD (2017b) also suggests that to bridge the gender gap, education and vocational training, along with initiatives that target skill development, should be put in place. This would increase the choice of jobs available to women and their opportunities for promotion. Women's entrepreneurship must also be encouraged by promoting innovation and growth in the sector. Synergies and partnerships between tourism outlets and local communities could facilitate the distribution of tourism-related benefits to those communities. For example, guaranteeing the integration of artisanal enterprises in the tourism value chain with few or no intermediaries might allow a greater capture of tourism benefits by local artisans.

#### 4.4 Estimating the impact of trade openness on women in services

Similar to the analysis of the agriculture and manufacturing sectors, this section examines the effect of trade liberalization on women's employment in services in the SADC region. As in the previous sections, the findings for total female employment and for the gender employment gap in services will be presented separately.

##### 4.4.1 Results for total female employment in services

Table A1.5 in Annex 1 presents the results of the effects of trade openness on female employment in services. According to the findings, trade openness has no significant effect on the share of female employment in the service sector. Moreover, neither the export nor the import share seems to have any impact on the total share of employment in services. Finally, the GDP shares of SADC and non-SADC exports and imports do not appear to have any significant effect on female employment in services. The insignificant effects of trade openness and its sub-components on women's employment could be a result of women's concentration in the more traditional, low-productivity services with low capital accumulation potential such as small retail trade, restaurants, and personal services.

##### 4.4.2 Results for sectoral gender-based employment inequalities

Table A1.5 in Annex 1 also provides the results related to the effects of trade openness on the female-to-male employment ratio. The findings reveal that trade openness has no effect on the female-to-male employment ratio in services. Additionally, the export-to-GDP and

import-to-GDP ratios show minimal effects on the female-to-male employment ratio in services. Accordingly, the regionally differentiated effects of imports and exports (calculated as a share of GDP) are also very small. Therefore, it could be concluded that trade openness in services tends to leave the gender employment gap in the sector unchanged. This may be due to trade liberalization in services having similar effects on both men and women; alternatively, the positive effects of trade openness on women's employment in certain services might be balanced out by possible negative effects on women's employment in other services (and the same could apply to men).

## 5 Conclusion: Summary and policy recommendations

This module examined gender and trade in the SADC region by applying the concepts presented in the three modules of Volume 1 of the core teaching manual (UNCTAD, 2014). The SADC region, composed of countries at different stages of development, is heterogeneous in terms of both socio-economic conditions and the sectoral composition of the economies. As regards gender-related outcomes, there are significant disparities in education, per capita income, and the labour force participation rate between men and women. In fact, gender inequality is still pervasive in the SADC region, even though SADC members have shown a commitment to create a gender-sensitive community since SADC was established. The SADC Protocol on Gender and Development, which was signed in 2008 and entered into force in 2012, is the primary tool supporting women's empowerment and the elimination of gender discrimination. Despite these commitments, however, several important flaws persist that constrain gender mainstreaming in the SADC, including limited knowledge on the links between gender equality and economic development, inadequate availability of gender-disaggregated statistics, insufficient participation of the institutions in charge of gender equality in policy-making, and limited coherence between policies and institutions in implementing the gender equality agenda.

In the SADC region, the gender gap in agriculture suggests that gender biases are still rooted in customary law and cultural norms. Those laws and norms tend to limit women's access to key inputs and resources such as land, credit, and training. As far as employment is concerned, rural women suffer from occupational segregation. Such obstacles undermine women's

productivity compared to men's, making women underachievers of competitive advantage. While most women are still concentrated in subsistence agricultural and unpaid family work, trade liberalization has led to an increase in wage employment opportunities. However, trade liberalization may turn gender inequalities into a source of competitive advantage; women's lower pay, in fact, makes them a profitable source of labour for firms that face stiff competition in the international markets.

The empirical analysis presented in this module points to a negative impact on female employment in agriculture of an increase in exports (as a share of GDP) with countries outside the SADC region, which might reflect an expansion of male-dominated sub-sectors following trade liberalization. On the other hand, both SADC and non-SADC imports (as a share of GDP) are associated with a positive impact on female employment in agriculture. Increased competition in agriculture following trade liberalization may increase women's employment, as women tend to be a cheap source of labour. In addition, there may be an increase in imported inputs and intermediate goods in female-dominated sectors, in turn supporting women's employment. Finally, when looking at the effect of trade openness on the gender employment gap in agriculture, the findings suggest that trade openness tends to be more beneficial to men than to women.

The manufacturing sector has special importance for SADC because industrialization is recognized as one of the leading objectives of economic development and regional integration. Moreover, manufacturing employment tends to offer higher wages and potentially provides more stable job opportunities compared to the agriculture and low-skilled service sectors. Feminization of labour has become a typical process in the manufacturing sector, which has been used as a strategy to minimize production costs when facing competition in global markets. However, as industrialization advances and firms expand in capital-intensive sectors (which are male-dominated), the opposite phenomenon has been observed, referred to as the defeminization of labour.

This module has analysed women's employment in EPZs within SADC. Although most SADC countries have implemented EPZs, it is still unclear whether such zones are ultimately beneficial to women. While they have created formal employment for women, a number of factors, including poor working conditions, make EPZs questionable for women's welfare. This module has also explored the effect of trade

liberalization on women's employment outcomes in manufacturing. The results (based on a microeconomic analysis) show that a reduction or dismantling of export tariffs imposed on intra-SADC trade had a positive effect on the share of female employment in manufacturing firms only for production workers; the impact was found not to be significant for non-production workers. On the other hand, export tariff liberalization with non-SADC countries seems to have had a negative effect for blue-collar production workers, which supports the defeminization of labour in certain activities. The results discussed in this module also reveal that trade liberalization affects women differently based on their skill levels; in addition, the effect of changes in both export and import tariffs on women's employment varies across trading partners as a result of differences in traded products or specialization patterns.

According to the results, when all firms are considered, tariff reductions on imports coming from other SADC countries do not have any impact on female employment for overall workers or for workers in production and non-production tasks. Reductions in import duties on intra-SADC trade, however, seem to increase female employment in production tasks of exporting firms.

Using a different empirical approach (based on a macroeconomic analysis), this module has also evaluated the impact of trade openness on women's employment in industry. The analysis suggests that increased exports are associated with an increase in total female employment in industry. This implies that the growth in exports has been associated with an expansion of female-intensive industries. On the other hand, the empirical results indicate that an increase in imports is associated with a decrease in total female employment in industry. This suggests that, following trade liberalization, imports tend to replace women's employment. These effects are similar for both female and male employment, leading to the conclusion that gender employment inequalities do not seem to be affected by trade openness in the industrial sector.

With regard to the service sector, this module has focused on formal services only due to the lack of quality data on the informal sector. In the SADC, the service sector now contributes to over 50 per cent of the region's GDP, and is a growing sector providing employment opportunities to women. Although agriculture remains the primary source of employment for women, since the early 2000s female employment has shifted away from agriculture towards services. Regarding occupations in the sector, women tend to be concentrated in precarious, low-pay,

and low-skilled and mid-skilled service positions such as retail, restaurants, low-end information and communication technology services, and secretarial jobs, with little opportunity for promotion. This suggests that in services women do not have access to the same occupations as men. Tourism has special relevance because it is the largest source of export revenue for the service sector in the region. Tourism offers opportunities for women through employment, as well as by providing entrepreneurship opportunities. The sector thus could potentially be a positive source of welfare for women. Women, however, often tend to participate in the most vulnerable and least-paid activities. Tourism, in fact, suffers from both vertical and horizontal discrimination due to stereotypes and cultural prejudices towards women. Recent developments in the sector, such as agri-tourism, have significant potential for creating new job opportunities for women. When looking at the impact of trade openness on female employment outcomes in the service sector, the results reveal no significant effects on female employment and the gender employment gap. This may be due to women's concentration in the more traditional, low-productivity services with low capital accumulation potential, such as small retail trade, restaurants, and personal services.

As this analysis has demonstrated, over recent decades the structural composition of SADC economies has shifted away from agriculture towards services. Supporting industrial development remains a key challenge for SADC countries to reduce dependence on primary commodities, promote productive capacity, and move up value chains. Women continue to dominate low-skilled and vulnerable forms of employment, including informal employment. In addition, women continue to endure wage disparities and to hold the lion's share of unpaid housework and care responsibilities.

To ensure an inclusive process of economic development that can effectively promote gender equality and women's empowerment, there is a need for complementary policies that alleviate the economic constraints and traditional discriminatory norms that women continue to face. The 2008 SADC Protocol on Gender and Development requested that member states use affirmative action to ensure equal opportunities for men and women. With regard to trade, as mentioned in Section 1 of this module, Article 17 of the protocol requires that member states "[a]dopt policies and enact laws which ensure equal access, benefit and opportunities for women and men in trade and entrepreneurship" and "[r]eview their

national trade and entrepreneurship policies, to make them gender responsive." All SADC countries have established clear institutional frameworks in line with the commitments towards gender equality, but trade policy has not yet fully complied with the prescription of Article 17.

SADC member states have either gender ministries or gender departments located within other ministries. Gender focal points have been set up in most national ministries to ensure the effective adoption and implementation of gender mainstreaming (SADC, 2016). Nonetheless, budget allocations to gender departments and gender functions remain marginal in comparison with other government activities. The institutions in charge of promoting gender equality are also often not actively involved in decision-making. Supporting progress towards gender equality requires addressing the power imbalances between gender ministries or gender departments and other government functions.

Gender statistics are necessary to measure and monitor the lives of women and the multiple dimensions of gender inequality. Hence, they are an essential tool to adequately inform gender mainstreaming policies and practices. In SADC, there is neither systematic collection nor regular use of gender statistics for policy purposes. Addressing this obstacle is a very important step to develop the capabilities required to design effective gender-aware policies. The availability of gender statistics is also needed to be able to carry out an ex-ante gender assessment of trade reforms using UNCTAD's Trade and Gender Toolbox. This is an instrument released by UNCTAD in 2017 that makes it possible to estimate the impact of trade policies on women, and to design complementary measures to either offset negative effects or reinforce positive ones (UNCTAD, 2017c). SADC could consider setting up regional guidelines for the collection of gender-disaggregated data and introducing mechanisms to support member states in developing their data collection capacity.

SADC also needs to invest more in capacity-building in gender analysis, budgeting, and planning to ensure that policymakers have the necessary skills to enforce gender mainstreaming. It is part of the mission of the SADC Gender Unit to facilitate gender training and capacity-building for all the relevant SADC institutions. Training by the SADC Gender Unit has also strived to enable trade experts to mainstream gender in their activities (Shayo, 2012). These efforts need to be supported and strengthened.

Enforcement of the protocol requires institutional government action, but also a cultural shift away from traditional gender stereotypes. Education and awareness programmes can play an important role in transforming gender relationships. Such programmes can help reduce violence against women and support women's bargaining power within the household and in society.

As discussed in Section 1, women are dominant in the informal sector, so supporting women's economic livelihoods requires policies that specifically target women in this sector. Section 2 emphasized the role of informal cross-border trade for women's livelihoods and for total intra-regional trade in the SADC. In 2011, SADC approved its Advocacy Strategy on Informal Cross-Border Trade, which commits to recognizing informal trade as an accepted sector through coordinated policy and legislative action, in turn creating a more favourable trade environment for informal cross-border traders, most of whom are in fact women. Most SADC countries, however, have not yet complied with trade mechanisms that support informal traders (e.g. tariff bands and simplified custom and immigration procedures) (Mirand, 2015).<sup>83</sup> It is also necessary to put in place awareness campaigns about rules and procedures governing trade and ensure that they reach women traders, who tend to have limited knowledge about how to trade across the borders in compliance with the law. More understanding of rights and obligations at the border could facilitate the shift from informality to formality.

To help women become more competitive both in the formal and informal economy, it is key that policies tackle women's unequal access to financing, training, and resources. This would help women as producers and traders reap greater economic benefits from the process of regional integration. With regard to finance, policies could consider fostering models that are alternatives to commercial banking (e.g. solidarity finance schemes) in order to promote local development and support women's ability to make capital investments and purchase key inputs (Mirand, 2015). Alternatively, governments could intervene to reduce the traditional market risks associated with providing financing to women by using such policy measures as guarantee options, tax incentives, a combination of grants with commercial loans, and insurance schemes (Oxfam, 2015). Policy incentives in the form of targeted subsidies, tax credits, and technological investments could also help support the expansion of production and trade in higher-value-added activities.

Well-designed vocational training is a useful instrument to improve women's financial and economic literacy and equip them with the necessary skills to seek out jobs associated with greater labour protection and better economic opportunities. In addition to reducing existing gender gaps in formal education, educational partnerships could be established between the private and public sectors, including on-the-job training and skill development programmes that could be effective in providing women with the skills required by jobs in higher-value-added activities in manufacturing and services. In agriculture, improving extension and advisory services to female farmers would facilitate access to new skills and technologies that are key to participating in trade and production opportunities in higher-value-added niches. In this regard, gender value-chain analyses are important to identify the areas where there is a need to develop women's skill and business knowledge. As things stand, however, training and information dissemination specifically for women is still limited.

In addition to these educational measures, enforcement of laws against gender-based discrimination and full adherence to the ILO core conventions of non-discrimination and equality of opportunity and treatment are essential to ensure that women can successfully participate in the expanding sectors. Job placement agencies could also facilitate the integration of women in these sectors.

As agriculture continues to constitute the core sector of the SADC economies, strengthening land rights for small-holder farmers – and especially women – is a priority area to promote long-term investment, women's competitiveness, and the development of rural communities. SADC should issue tenure guidelines and protection rules that could serve as a reference framework to set up country-specific tenure arrangements (Oxfam, 2015).

To ensure that paid work can be reconciled with family responsibilities, family-related policies are crucial. Unpaid work responsibilities have direct implications for women's successful participation in the economy under trade reforms because they can constrain women's ability to take on paid work and influence women's productivity, especially as farmers. Paid maternity leave (through a combination of employer and state funding) and government-subsidized or government-funded child care facilities are critical institutions to address the traditional gender division of labour that

makes women primarily responsible for the reproductive sphere of the economy (Smit, 2011).<sup>84</sup> It is also important to design trade-related capacity-building programmes in a manner that makes them accessible to women with care responsibilities.

To shed light on the role of unpaid labour in the economy and increase the visibility of the imbalance between men and women with regard to unpaid responsibilities, more widespread use of time-use surveys would be an important step to ensure that policymakers have more accurate information on the value of unpaid work in the economy.

In the context of all these measures, policy frameworks to boost FDI (e.g. through financial and tax incentives) need to ensure positive commercial linkages with the local economies by encouraging purchases of intermediate goods and services from local suppliers. This can be achieved through programmes that encourage partnerships between domestic

and foreign enterprises that promote firm-level productivity, local skill development, and women's entrepreneurship and employment (Braunstein, 2008; World Bank, 2018). These initiatives could especially foster supplier diversity by incentivizing linkages between international enterprises and small domestic businesses, particularly those employing under-represented groups (including women).

Finally, it is important to note that policies that seek to support women as traders, workers, and producers can only be formulated in an effective manner with the participation of women in designing those policies. Only women themselves can inform policy-makers about the reality of their needs and constraints. This means that platforms for women's advocacy, collective action, and policy engagement need to be supported. In this regard, sharing good practices in the economy and introducing award programmes to support women in the economy could be helpful as well.

## Exercises and questions for discussion

1. How did the composition of SADC trade and trade partners change before and after SADC integration? Related to this, what is the primary challenge for most SADC countries regarding international trade?
2. How did the sectoral composition of employment change for male and female workers in SADC countries in the era of regional integration?
3. How have gender issues been addressed in the institutional development of the SADC? In your answer, please consider both achievements and ongoing challenges.
4. What does mainstreaming gender in trade policy mean? Explain how gender issues are incorporated into trade policy in the SADC region. What are the primary obstacles for mainstreaming gender in trade policies?
5. What does the gender agricultural gap refer to? What factors drive the gender agriculture gap in the SADC region?
6. What does it mean to be “sources of competitive advantage” and “underachievers of competitive advantage” for women in the context of agricultural employment in the SADC region?
7. What are the primary objectives of SADC regional agricultural development? Where do gender equalities stand in those policies? What are the main constraints faced in the implementation of those policies?
8. What are the possible effects of trade openness on female employment in agriculture? How did export and import shares of GDP affect female employment and the gender employment gap? What factors might drive those results?
9. What role have export processing zones played in women’s shift to formal employment in the SADC region? Briefly discuss the effect of those zones on gender inequalities.
10. Which factors explain the “feminization of labour” and the “defeminization of labour” in the manufacturing sector? Which of the two phenomena seems to apply in the SADC countries?
11. How has tariff liberalization affected gender equality in production tasks and non-production tasks in SADC manufacturing? Explain both theoretical and empirical results.
12. Based on the data presented in this module, what is the relationship between female employment and average wages in the SADC region? What can be said about the effect of trade liberalization policies within and outside SADC on the earnings and working conditions of women in the SADC manufacturing sector?
13. What are the features of female employment in services in SADC? What are the existing challenges that women face in the service sector?
14. What kind of policies can be implemented to reinforce forward linkages of sectors and promote the participation of women in the tourism sector?
15. What can be said about the impact of trade liberalization on gender equality in the service sector in SADC?

## ANNEX 1

### A.1.1 Data and methodology to estimate the impact of trade openness on women in SADC countries

To measure the effect of trade openness on women's employment, data from the World Bank's World Development Indicators are used. Information on the trade structure of member states from the UNCTADstat database is also used to decompose trade openness and its subcomponents on a regional basis. To evaluate the effect of trade openness on women's labour outcomes, the total share of women employed in the agriculture sector is used. Also, female-to-male employment ratios are used to evaluate the

impact of trade openness on gender employment inequalities.<sup>85</sup> The primary variables of interest are the share of total trade in GDP and its sub-components, export and import shares, as well as regionally differentiated SADC and non-SADC export and import shares in GDP.

Three specifications are estimated for women's employment in each of the broad sectors of agriculture, manufacture, and services. The fixed-effect panel data model is used as the estimation method. The advantage of this model is that it helps to control for country-specific characteristics such as religion, culture, and other socio-economics factors. The estimated equations for the macroeconomic model used in the module are the following:

$$\begin{aligned}
 FEO_{it} &= \beta_1 TO_{it} + \sum_{j=1}^4 \delta_j X_{it}^j + \varphi_t + u_{it} \\
 FEO_{it} &= \beta_1 ETO_{it} + \beta_2 ITO_{it} + \sum_{j=1}^4 \delta_j X_{it}^j + \varphi_t + u_{it} \\
 FEO_{it} &= \sum_{k=1}^2 \beta_1^k ETO_{it}^k + \sum_{k=1}^2 \beta_1^k ITO_{it}^k + \sum_{j=1}^4 \delta_j X_{it}^j + \varphi_t + u_{it}
 \end{aligned}$$

where  $FEO_{it}$  denotes the female employment outcome in a given broad sector for country  $i$  and time  $t$ . Note that  $FEO$  represents both the total employment share as well as the female-to-male ratio to measure the gender employment gap.  $TO_{it}$  is the corresponding trade openness,  $X_{it}^j$  represents one of four control variables, and  $\varphi_t$  represents time-specific fixed effects to control for any shocks common to all countries that are unrelated to trade openness, its subcomponents, and other control variables. Unobservable factors in the regressions are represented by  $U_{it}$ .  $ETO_{it}$  and  $ITO_{it}$  in the second specification represent

the export and import components of trade openness, respectively. Finally,  $k$  is a particular indicator for the SADC and non-SADC group that takes the value of 1 for SADC and 2 for non-SADC.

### A.1.2 Descriptive statistics on female-to-male employment ratios in the manufacturing sector in SADC

Table A1.2 presents the descriptive statistics on female employment outcomes differentiated across sectors and occupation types within the manufacturing sector calculated from World Bank Enterprise Surveys.

Table A1.1

**Estimates of the impact of trade openness on female employment in agriculture**

	Female employment in agriculture			Female-to-male employment ratio in agriculture		
Trade/GDP	0.0093 (0.0295)			-0.0192*** (0.0048)		
Export/GDP		-0.1557*** (0.0490)			-0.0450*** (0.0116)	
Import/GDP		0.1524** (0.0602)			0.0032 (0.0069)	
SADC Export/GDP			-0.0501 (0.1537)			-0.0336** (0.0122)
SADC Import/GDP			0.1729** (0.0630)			0.0040 (0.0071)
Non-SADC Export/GDP			-0.1575*** (0.0451)			-0.0456*** (0.0120)
Non-SADC Import/GDP			0.1182* (0.0574)			0.0012 (0.0074)
Log(GDP per capita)	-5.2687*** (1.4750)	-2.3009 (2.0547)	-1.9504 (2.0339)	0.8737*** (0.2557)	1.3376*** (0.3430)	1.3591*** (0.3357)
Log(population)	6.6405 (6.1338)	9.3457 (6.0890)	10.3706 (6.3892)	4.6469*** (0.7849)	5.0698*** (0.8570)	5.1892*** (0.8859)
Urban population share	-0.4430*** (0.1202)	-0.4582*** (0.0992)	-0.4981*** (0.0957)	0.0164 (0.0144)	0.0140 (0.0114)	0.0106 (0.0104)
Foreign direct investment	0.1329*** (0.00564)	0.0282 (0.0685)	0.0452 (0.0605)	-0.0311*** (0.0094)	-0.0475*** (0.0089)	-0.0464*** (0.0086)
R-squared	0.347	0.399	0.416	0.542	0.592	0.595
Number of observations	290	290	290	290	290	290

Source: Calculations by the UNCTAD secretariat.

Note: Driscoll-Kraay standard errors in parentheses. To obtain heteroscedasticity and autocorrelation robust Driscoll-Kraay standard errors, the user written command xtscb by Hoechle (2007) in Stata was used for the estimation of the fixed-effect panel data models. \*\*\* Significant at the 1 per cent level. \*\* Significant at the 5 per cent level. \* Significant at the 10 per cent level. SADC: Southern African Development Community.

Table A1.2

**Descriptive statistics on female-to-male employment ratios within firms by sector**

ISIC Rev. 3.1 sector <sup>a</sup>	Overall female-to-male employment ratio			Production female-to-male employment ratio			Non-production female-to-male employment ratio		
	Min	Mean	Max	Min	Mean	Max	Min	Mean	Max
Food	0.00	0.54	11.00	0.00	0.56	13.15	0.00	0.62	10.00
Textiles	0.00	0.87	9.00	0.00	0.52	5.00	0.00	0.43	1.20
Garments	0.00	1.88	15.67	0.00	2.33	31.50	0.00	1.04	9.00
Leather	0.00	0.47	1.50	0.00	0.35	1.33	0.06	1.41	2.50
Wood	0.00	0.14	0.77	0.00	0.16	3.00	0.00	0.49	2.00
Paper	0.07	1.36	9.77	0.00	1.48	12.50	0.33	1.25	2.75
Publishing	0.00	0.61	5.00	0.00	0.72	10.00	0.00	0.93	5.00
Refined petroleum	0.27	0.62	0.96	0.18	0.55	0.93	0.60	0.88	1.17
Chemicals	0.00	0.48	3.00	0.00	0.43	4.00	0.00	0.66	5.00
Plastic and rubber	0.00	0.26	3.33	0.00	0.21	3.89	0.00	0.54	6.50
Mineral	0.00	0.35	2.96	0.00	0.36	4.00	0.00	0.66	8.00
Basic metals	0.02	0.13	0.21	0.00	0.05	0.25	0.14	0.66	1.00
Fabricated metals	0.00	0.27	4.83	0.00	0.32	9.00	0.00	0.72	4.00
Machinery	0.00	0.24	1.33	0.00	0.18	1.50	0.00	0.59	4.00
Electronics	0.02	0.61	3.81	0.00	0.61	3.81	0.00	0.78	3.33
Motor vehicles and trailers	0.05	0.13	0.23	0.00	0.04	0.11	0.11	0.38	0.67
Other transport equipment	0.43	1.09	1.75	0.31	1.09	1.86	0.80	1.11	1.43
Furniture	0.00	0.17	1.33	0.00	0.18	2.67	0.00	0.54	3.00

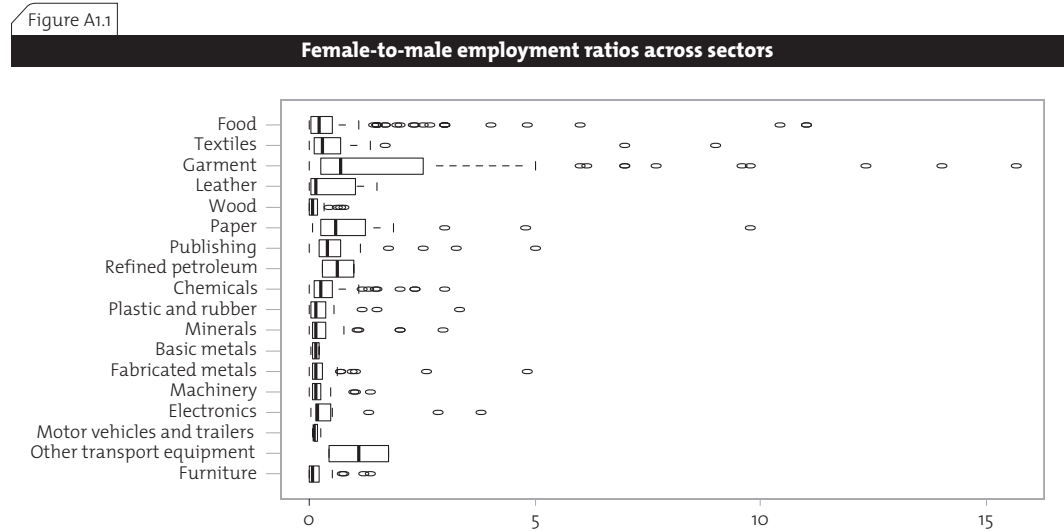
Source: Descriptive statistics calculated from the World Bank Enterprise Surveys for the countries mentioned in Section 3.2.2.1.

<sup>a</sup> ISIC Rev 3.1 refers to the International Standard Industrial Classification of All Economic Activities, Revision 3.1.



Figure A1.1 plots these descriptive statistics for the overall female-to-male employment ratios using box plots. The figure shows the under-representation of women in the workplace in almost all sectors, since almost all median

observations are closer to the lower bound of the boxes in sectors. The figure also suggests the presence of outliers for most of the sectors surveyed in the dataset.



Source: Calculations by the UNCTAD secretariat based on the World Bank Enterprise Surveys.  
 Notes: The figure gathers the majority of the observations (precisely, from the first quartile to the third quartile). The vertical line corresponds to the median observation. The horizontal lines attached to a box are ranges for an observation not to be an outlier. The circles are the outliers.

**A.1.3 Methodology to estimate the impact of tariff changes on women in SADC countries**

The results reported in table A1.3 are obtained from the fixed-effect panel data estimation of the model specified below. The reason for using the fixed-effect panel data estimation is to control

for firm-specific characteristics that might affect gender labour outcomes, and which are potentially unrelated to the trade environment. Therefore, the estimation of the following model (which allows for a microeconomic analysis) can be interpreted as within-firm effects of tariff changes on female labour outcomes:

$$\Delta Female Ratio_{it} = \sum_{j=1}^4 \beta_j \Delta Export Tariff_{it}^j + \sum_{j=1}^4 \delta_j \Delta Import Tariff_{it}^j + \varphi_t + \mu_i + \varepsilon_{it}$$

where  $i$  refers to the firm,  $t$  denotes time, and  $j$  is a particular indicator for each trading group that takes the value of 1 for SADC, 2 for sub-Saharan Africa, 3 for the European Union, and 4 for the rest of the world. Additionally,  $\Delta Female Ratio$  represents the log change in the female-to-male employment ratio that is obtained from yearly reported employment figures for production, non-production, and overall workers. Similarly,

$\Delta Export Tariff$  and  $\Delta Import Tariff$  denote the log of export and import tariff changes, respectively, in a given year. Finally,  $\beta$  and  $\delta$  are the parameters to be estimated,  $\varphi_t$  represents time-specific fixed effects to control for any shocks common to all countries that are unrelated to tariff changes,  $\mu_i$  refers to the time-invariant, firm-level fixed effects, and  $\varepsilon_{it}$  denotes the idiosyncratic error term.

Table A1.3

**Regression results for the impacts of tariff changes on female-to-male employment ratios in manufacturing (dependent variable: percentage change in female-to-male employment ratios)**

	Overall		Production tasks		Non-production tasks	
	All (I)	Exporting (II)	All (III)	Exporting (IV)	All (V)	Exporting (VI)
% Δ in export tariff - SADC	0.068** (0.031)	0.075*** (0.025)	0.156*** (0.057)	0.073** (0.034)	0.097* (0.056)	0.036 (0.111)
% Δ in export tariff - SSA	0.016 (0.014)	0.014 (0.017)	0.006 (0.019)	0.037** (0.018)	0.023 (0.026)	-0.112*** (0.031)
% Δ in export tariff - European Union	-0.008 (0.018)	-0.031*** (0.001)	-0.088** (0.042)	-0.045*** (0.012)	-0.071** (0.031)	0.046 (0.030)
% Δ in export tariff - RoW	-0.040* (0.244)	-0.097*** (0.020)	-0.107*** (0.040)	-0.105*** (0.027)	-0.127*** (0.043)	-0.047 (0.117)
% Δ in import tariff - SADC	0.034 (0.031)	0.046*** (0.017)	0.006 (0.019)	0.088*** (0.026)	-0.095 (0.062)	-0.307** (0.132)
% Δ in import tariff - SSA	0.001 (0.042)	-0.218* (0.123)	0.005 (0.075)	-0.295** (0.140)	0.248** (0.101)	0.592*** (0.186)
% Δ in import tariff - European Union	-0.083** (0.039)	-0.151 (0.144)	-0.091** (0.045)	-0.222 (0.161)	-0.050 (0.071)	0.367*** (0.132)
% Δ in import tariff - RoW	0.009 (0.043)	0.193 (0.170)	0.026 (0.061)	0.285 (0.189)	-0.070 (0.104)	-0.433*** (0.159)
Observations	684	198	693	199	629	195
Firm fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Year fixed effects	Yes	Yes	Yes	Yes	Yes	Yes

Source: Calculation by the UNCTAD secretariat based on World Bank Enterprise Surveys and the World Integrated Trade Solution database.

Note: Robust standard error in parentheses clustered at the firm level. RoW: rest of the world; SADC: Southern African Development Community; SSA: sub-Saharan Africa. \*\*\* Significant at the 1 per cent level. \*\* Significant at the 5 per cent level. \* Significant at the 10 per cent level.

Table A1.4

**Estimates of the impact of trade openness on female employment in industry**

	Female employment in industry			Female-to-male employment ratio in industry		
Trade/GDP	0.0122 (0.0230)			0.0004 (0.0004)		
Export/GDP		0.1835*** (0.0396)			0.0028** (0.0010)	
Import/GDP		-0.1363*** (0.0370)			-0.0017* (0.0009)	
SADC export/GDP			0.1792** (0.0808)			0.0045*** (0.014)
SADC import/GDP			-0.1511*** (0.0382)			-0.0023** (0.0008)
Non-SADC export/GDP			0.1788*** (0.0383)			0.0025** (0.0010)
Non-SADC import/GDP			-0.1185*** (0.0386)			-0.0012 (0.0011)
Log(GDP per capita)	-4.4540*** (0.8451)	-7.5352*** (0.8379)	-7.7093*** (0.8437)	-0.0276 (0.0230)	-0.0713* (0.0397)	-0.0762* (0.0376)
Log(population)	11.6279** (5.0485)	8.8194* (4.7232)	8.8672* (5.0983)	0.2627* (0.1553)	0.2229 (0.1695)	0.2449 (0.1716)
Urban population share	0.4222*** (0.0856)	0.4380*** (0.0752)	0.4482*** (0.0809)	0.0022 (0.0034)	0.0025 (0.0034)	0.0024 (0.0035)
Foreign direct investment	-0.0297 (0.0512)	0.0791* (0.0436)	0.0714* (0.0392)	-0.0029* (0.0015)	-0.0014 (0.0010)	-0.0016 (0.0009)
R-squared	0.297	0.430	0.439	0.254	0.279	0.290
Number of observations	290	290	290	290	290	290

Source: Calculation by the UNCTAD secretariat.

Note: Driscoll-Kraay standard errors in parentheses. To obtain heteroscedasticity and autocorrelation robust Driscoll-Kraay standard errors, the user written command xtsc by Hoechle (2007) in Stata was used for the estimation of the fixed-effect panel data models. SADC: Southern African Development Community. \*\*\* Significant at the 1 per cent level. \*\* Significant at the 5 per cent level. \* Significant at the 10 per cent level.

Table A1.5

## Estimates of the impact of trade openness on female employment in services

	Female employment in services			Female-to-male employment ratio in services		
Trade/GDP	-0.0230 (0.0180)			-0.0009 (0.0006)		
Export/GDP		0.0307 (0.0376)			-0.0060*** (0.0013)	
Import/GDP		-0.0164 (0.3282)			0.0035*** (0.0008)	
SADC export/GDP			-0.1263 (0.0955)			-0.0010*** (0.0015)
SADC import/GDP			-0.0236 (0.0357)			0.0044*** (0.0008)
Non-SADC export/GDP			-0.0252 (0.0370)			-0.0053*** (0.0013)
Non-SADC import/GDP			0.0013 (0.0254)			0.0030*** (0.0009)
Log(GDP per capita)	9.7167*** (1.4847)	9.8542*** (1.6927)	9.6658*** (1.7454)	-0.1990*** (0.0379)	-0.1070** (0.0485)	-0.1024** (0.0473)
Log(population)	-18.594*** (1.1697)	-18.469*** (2.8175)	-19.4702*** (3.1525)	0.5150*** (0.1328)	0.5989*** (0.1297)	0.5401*** (0.1329)
Urban population share	0.0351 (0.1541)	0.0344 (0.1544)	0.0636 (0.1453)	-0.0042 (0.0032)	-0.0046* (0.0025)	-0.0039 (0.0024)
Foreign direct investment	-0.1002** (0.0480)	-0.1050* (0.0511)	-0.1148** (0.0491)	0.0034 (0.0024)	0.0001 (0.0016)	0.0002 (0.0015)
R-squared	0.571	0.572	0.577		0.447	0.474
Number of observations	290	290	290	290	290	290

Source: Calculation by the UNCTAD secretariat.

Note: Driscoll-Kraay standard errors in parentheses. To obtain heteroscedasticity and autocorrelation robust Driscoll-Kraay standard errors, the user written command xtsc by Hoechle (2007) in Stata was used for the estimation of the fixed-effect panel data models. SADC: Southern African Development Community. \*\*\* Significant at the 1 per cent level. \*\* Significant at the 5 per cent level. \* Significant at the 10 per cent level.

## ANNEX 2

### A.2.1 Bilge Erten and Fiona Tregenna (2014): “How Does Trade Liberalization Affect Racial and Gender Inequality in Employment? Evidence from Post-Apartheid South Africa”

#### Objective and Background

This paper examines how trade liberalization in post-apartheid South Africa between 1995 and 2002 affected employment in specific groups by race, gender, and skills.

#### Data and Methodology

The analysis uses household and labour micro data, which allows for the study of the wider labour market effects of trade liberalization beyond firms and industries directly affected. These data were matched to tariff data at the level of 371 districts using the October Household Surveys for 1995–1998. These district-level data provide nationally representative official data. The sample is made up of all employees aged 15 and over.

The analysis examines the effect of district-level tariffs on district-level employment. To avoid endogeneity, the sectoral composition of employment in each district at the beginning of trade reform was used as weights to construct a weighted average of tariffs at the district level.

The estimation equation evaluates the average effect of trade protection (as measured by a weighted average of tariffs) on district-level employment, controlling for a set of initial district indicators interacted with a post-reform time dummy, district-level controls, district-level fixed effects, and year fixed effects.

#### Findings

The results indicate that trade liberalization in South Africa negatively affected the employment of less-educated workers; that is, uneducated African and female workers are found to be especially vulnerable to job losses. These estimated effects are found to be particularly high in manufacturing, especially for low-skilled manufacturing employment. This indicates that trade liberalization has differential effects on different groups, identified by race, gender, and skills.

### A.2.2 Taruna Shalini Ramessur and Sanjeev K. Sobhee (2009): “Impact of Trade Liberalization on Labour Conditions in the Textile Sector of Mauritius: The Fate of Female Workers”

#### Objective and Background

This paper evaluates the impact of trade liberalization on the demand elasticity of labour in the textile industry in Mauritius, which is part of the country's export processing zones (EPZs).<sup>86</sup> This industry is dominated by female workers and went through two liberalization phases: a first phase during the mid-1980s, when tariffs were significantly reduced; and a second phase that began in 2005 with the phasing out of the Multi-Fibre Agreement.

#### Data and Methodology

The analysis uses panel data from the Industrial Statistics of the United Nations Industrial Development Organization and information provided by the Mauritius Export Processing Zone Association (MEPZA), from 1976 (when MEPZA was created) to 2003. The sample includes a panel of 43 firms operating in the wearing apparel industry, which constitutes 89 per cent of total employment in EPZs.

This paper uses a model of monopolistic competition<sup>87</sup> to estimate the impact of trade liberalization (measured by a dummy variable that has a value equal to 0 between 1976 and 1983 and 1 thereafter) on the labour demand function (distinguishing between male and female workers), controlling for the wage rate, rate of interest, and cost of raw material. The key variable of interest is elasticity change, which corresponds to the wage variable interacted with the liberalization dummy.

#### Findings

The results show that labour demand for female workers in the wearing apparel industry has become more elastic with respect to a change in the wage rate after the trade reform. In the case of male workers, however, the estimates do not show any significant impact. This means that trade liberalization makes it more difficult for women to ask for higher wages because doing so can threaten their employment. In addition, due to their average lack of skills, women cannot be easily retrained or move to other sectors. This implies that growing trade liberalization would lead to a more-than-proportionate decline in employment among women in the EPZs.

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## ENDOTES

- <sup>1</sup> The teaching manual is comprised of Volume 1 (Unfolding the Links) and Volume 2 (Empirical Analysis of the Trade and Gender Links).
- <sup>2</sup> The empirical analyses of this module generate results for the SADC region as a whole. Two case studies, which focus on individual countries (i.e., South Africa and Mauritius), are presented in Annex 2.
- <sup>3</sup> Comoros is not included in the analysis in this module. Comoros joined SADC in August 2017, so its contribution to the process of integration cannot be assessed yet.
- <sup>4</sup> See <http://www.sadc.int/about-sadc/overview/sadc-mission/>.
- <sup>5</sup> For SADC's institutional structure, see SADC (2001b).
- <sup>6</sup> Angola, Democratic Republic of the Congo, and Seychelles remained outside of the SADC FTA in 2008. Seychelles joined the FTA in 2015. Angola planned to join in 2017, but has also yet to submit its tariff offers to other member states.
- <sup>7</sup> The agreement was meant to contribute to the realization of an "African Economic Community" as outlined in the 1980 Lagos Plan of Action and the Abuja Treaty of 1991. The idea was to resolve the issue of overlapping memberships of countries in more than one economic bloc.
- <sup>8</sup> The set of legal instruments includes a founding agreement, protocols on trade in goods and services, annexes on trade-related rules and procedures, and a dispute settlement mechanism.
- <sup>9</sup> Trade and Economic Partnership Agreements are a key component of the ACP-European Union Cotonou Agreement between the African, Caribbean and Pacific Group of States and the European Union, which since 2000 has provided a comprehensive framework for the European Union's relations with 79 developing countries.
- <sup>10</sup> Market access regulations essentially guaranteed potential EPA countries temporary free trade.
- <sup>11</sup> As discussed in Section 1.3, however, consistent with the disparities in the development levels of the SADC countries, the growth performance of individual countries has varied widely in the 2000s.
- <sup>12</sup> There are significant disparities across countries for GNI per capita and trade.
- <sup>13</sup> Developing Asia refers to Asian countries excluding Japan and the newly industrialized economies (Republic of Korea, Singapore, Hong Kong [China], and Taiwan Province of China).
- <sup>14</sup> As discussed in Section 1.3, however, behind these aggregate statistics are significant differences in the economic size, level of development, and structural composition of the individual economies in the region.
- <sup>15</sup> The shift to services often coincides with expansion of the informal sector. Due to various political and economic factors in Zimbabwe, for example, many women have embarked on small-scale cross-border trade over the past two decades (Ndiaye, 2009). In the region, women also dominate the ownership of informal and microenterprises (SADC, 2016).
- <sup>16</sup> In 2016, the levels of GDP per capita in these four countries were below the average GDP per capita in sub-Saharan Africa.
- <sup>17</sup> For technical details, see <http://hdr.undp.org/en/content/human-development-index-hdi>.
- <sup>18</sup> No African country as of 2015 was in the very high development group.
- <sup>19</sup> In addition, in 2016 the Democratic Republic of the Congo was involved in an armed conflict.
- <sup>20</sup> Commodity prices began to recover in 2016 and were expected to keep rising in 2017 and 2018.
- <sup>21</sup> See the mining page of the SADC website at <http://www.sadc.int/themes/economic-development/industry/mining/>.
- <sup>22</sup> An accurate gender analysis of course needs to take into account the broad social-cultural context. This means that other important social factors (age, race, ethnicity, class, etc.) need to be taken into account as well.
- <sup>23</sup> The unpaid, reproductive sphere of the economy is measured based on time-use surveys (see box 1).
- <sup>24</sup> The limited availability of data on unpaid activities is a constraint for economic analysis, but time-use surveys are increasingly being conducted (see box 1).
- <sup>25</sup> As stated in Volume 1, gender equality and women's empowerment are closely related but quite distinct concepts. Gender equality is assessed based on the status of women compared to that of men. In contrast, empowerment is evaluated based on whether women have the ability to exercise control over their own lives, have access to opportunities, and have independent decision-making power (both within and outside the household sphere) (UNCTAD, 2014).
- <sup>26</sup> This section provides aggregate indicators of gender inequality; more specific dimensions of gender-related outputs as related to the individual economic sectors will be discussed in the following sections.
- <sup>27</sup> The GII is only calculated for 154 countries (in contrast to 188 countries for the HDI) due to data limitations.
- <sup>28</sup> More specifically, UNDP (2016b) estimates that a 1 per cent increase in the GII reduces the HDI by 0.75 per cent.
- <sup>29</sup> In 1993, the Fifteenth International Conference of Labour Statisticians (ICLS) adopted an international statistical definition of the informal sector; employment in the informal sector "comprises all persons who, during a given reference period, were employed in at least one informal sector enterprise, irrespective of their status in employment and whether it was their main or a secondary job" (ILO, 2000, 4).
- <sup>30</sup> For a detailed explanation of the structure of the GGGI, see WEF (2017, 4).
- <sup>31</sup> The comparison is based only on the group of SADC countries for which both the 2006 and 2016 GGGI is available.
- <sup>32</sup> See the Treaty of the Southern African Development Community at <http://www.chr.up.ac.za/undp/subregional/docs/sadc8.pdf>.
- <sup>33</sup> The protocol became enforceable in September 2012 after nine ratifications (over two-thirds of the 13 signing countries). As of 2018, 15 countries have ratified the protocol (Mauritius has not ratified it yet).
- <sup>34</sup> To support gender mainstreaming efforts, SADC introduced a Gender Mainstreaming Toolkit in 2009. SADC has also established SADC National Committees composed of various national representatives (including government, civil society, workers' and employers' associations, etc.) in charge of providing inputs for the formulation of regional measures, as well as for coordinating and overseeing the implementation of regional policies at the national level.
- <sup>35</sup> See the official site of the SADC Gender Protocol Alliance at <http://genderlinks.org.za/what-we-do/sadc-gender-protocol/sadc-protocol-barometer/>.
- <sup>36</sup> The 2008 protocol included 23 indicators. They were expanded to 36 in the updated version of the protocol (nine of the original indicators were also dropped, either because they were fulfilled or because they were no longer considered relevant). The 36 indicators are now grouped under nine categories: Constitutional and Legal Rights, Governance, Education and Training, the Economy, Gender Violence, Health, HIV and AIDS, the Media, and Climate Change. To create the composite index, each category is given equal weight by calculating the average score across the indicators in that category. Based on the SGDI, South Africa is first in the ranking, followed by Mauritius, Zimbabwe, Seychelles, and Namibia. Mozambique, the United Republic of Tanzania, and the Democratic Republic of the Congo are at the bottom (Southern Africa Gender Protocol Alliance, 2017).
- <sup>37</sup> In contrast to the 2008 Gender Protocol, the updated version does not provide deadlines to meet the goals targeted.
- <sup>38</sup> Member states have the obligation to put in place the legislative framework and institutions to promote gender equality, and to allocate the necessary human, technical, and financial resources to implement the protocol. Implementation of the protocol is the responsibility of three bodies: the Committee of Ministers responsible for women's affairs that supervises the Committee of Senior Officials responsible for women's affairs, which in turn supervises the SADC secretariat. The role of this tripartite mechanism is to monitor and evaluate implementation of the protocol through national action plans, data analysis, and the

- biennial reports supplied by member states. At the country level, implementation should follow the SADC Implementation Action Plan and the SADC Monitoring, Evaluation and Reporting Framework. Monitoring, evaluation, and reporting are therefore the instruments to ensure faithful implementation of the protocol. For detailed evidence on progress in implementation of the SADC Protocol on Gender and Development, see the SADC Gender and Development Monitor 2016 (published by the SADC Gender Unit).
- <sup>39</sup> See <http://archive.ipu.org/wmn-e/classif.htm> (updated to 1 October 2017).
- <sup>40</sup> Ibid.
- <sup>41</sup> According to the United Nations Special Rapporteur on the Right to Food, food security refers to the right to have regular, permanent, and unrestricted access, either directly or by means of financial purchases, to quantitatively and qualitatively adequate and sufficient food that corresponds to the cultural traditions of the people to which the consumer pertains, and that ensures a physical and mental, an individual and collective, fulfilling and dignified life free of fear. See <http://www.ohchr.org/EN/Issues/Food/Pages/FoodIndex.aspx>.
- <sup>42</sup> Jowitz Saluseki, "Southern Africa: SADC Food Insecurity Gain for Local Farmers" *Times of Zambia*, 25 July 2016. See <http://allafrica.com/stories/201607260649.html>.
- <sup>43</sup> Exceptions are Botswana (for both men and women) and Zimbabwe (for women only).
- <sup>44</sup> The data for both Zambia and South Africa are from 1994 household surveys (FAO, 2011a).
- <sup>45</sup> Informal cross-border trade is defined as trade in legitimately produced goods and services that escapes the regulatory framework established by the government, thereby avoiding certain tax and regulatory burdens.
- <sup>46</sup> As discussed in the core teaching manual (Volume 1, box 1) (UNCTAD, 2014), the gender wage gap is measured by the difference between male and female average wages, expressed as a percentage of male average wages. The gender wage gap can be considered as a raw measure of gender discrimination. It is a raw measure only because it does not account for differences in productivity as a result, for example, of differences in education and work experiences (see Volume 2, box 11). As explained in Module 3, the relatively lower income that women receive for similar work due to gender discrimination makes women a profitable workforce for enterprises facing intense competition on international markets.
- <sup>47</sup> Non-traditional agricultural exports are typically associated with higher monetary value than traditional cereal grains and export crops. Non-traditional agricultural exports, for example, include fruits, vegetables, fish, and cut flowers.
- <sup>48</sup> See the United Nations Office of the Special Adviser website on CAADP at <http://www.un.org/en/africa/osaa/peace/caadp.shtml>.
- <sup>49</sup> See page 5 of the SADC Regional Agricultural Policy document at [http://www.inter-reseaux.org/IMG/pdf/Regional\\_Agricultural\\_Policy\\_SADC.pdf](http://www.inter-reseaux.org/IMG/pdf/Regional_Agricultural_Policy_SADC.pdf).
- <sup>50</sup> Since the examination is of the effect of trade openness on female employment in broad sectors, this analysis is a macroeconomic (or macro) analysis.
- <sup>51</sup> The concept of trade openness is explained in Module 1, Section 4.
- <sup>52</sup> The gender employment gap is calculated as the difference between male and female employment rates, divided by the male employment rate.
- <sup>53</sup> For example, high-value agricultural export products for SADC member countries include meat for Botswana, fruits and vegetables for Mauritius, sugar and tobacco for Malawi, fish for Mozambique, and meat, dairy products, sugar, honey, and tobacco for Zimbabwe. See Guha-Khasnobis et al. (2007).
- <sup>54</sup> For example, high-value agricultural export products for SADC member countries include meat for Botswana, fruits and vegetables for Mauritius, sugar and tobacco for Malawi, fish for Mozambique, and meat, dairy products, sugar, honey, and tobacco for Zimbabwe. See Guha-Khasnobis et al. (2007).
- <sup>55</sup> High-value products include, first, semi-processed products such as flour, oil, wool and hides; second, horticultural crops and produce such as fruits, vegetables, and nursery products; and finally, processed products such as beverages, breakfast cereals, dairy products, and chocolate (Kabala and Kirsten, 2013).
- <sup>56</sup> The industrial sector consists of mining and quarrying, manufacturing, construction, and public utilities (electricity, gas, and water), in accordance with divisions 2-5 of International Standard Industrial Classification (ISIC) 2, categories C-F of ISIC 3, or categories B-F of ISIC 4. According to the calculations by the UNCTAD secretariat, in the SADC region female employment in manufacturing, as a share of total employment, was on average 2.7 per cent in the period 2001–2008. It decreased to 2.5 per cent in the period 2009–2016. The figures for male employment are 9.3 per cent and 9.8 per cent, respectively.
- <sup>57</sup> The SADC Regional Indicator Strategic Development Plan explicitly underlines this goal (pages 25–26). See [http://www.sadc.int/files/5713/5292/8372/Regional\\_Indicative\\_Strategic\\_Development\\_Plan.pdf](http://www.sadc.int/files/5713/5292/8372/Regional_Indicative_Strategic_Development_Plan.pdf).
- <sup>58</sup> SADC prepared the SADC Industrialization Strategy and Road Map 2015–2063 in 2015 ([http://www.ilo.org/wcmsp5/groups/public/---africa/---ro-addis\\_ababa/---ilo-pretoria/documents/meetingdocument/wcms\\_391013.pdf](http://www.ilo.org/wcmsp5/groups/public/---africa/---ro-addis_ababa/---ilo-pretoria/documents/meetingdocument/wcms_391013.pdf)) and the SADC Industrialization Strategy and Action Plan for the Roadmap in 2017 ([https://www.sadc.int/files/4514/9580/8179/Action\\_Plan\\_for\\_SADC\\_Industrialization\\_Strategy\\_and\\_Roadmap.pdf](https://www.sadc.int/files/4514/9580/8179/Action_Plan_for_SADC_Industrialization_Strategy_and_Roadmap.pdf)).
- <sup>59</sup> The data are the latest available on EPZs in the SADC region.
- <sup>60</sup> For example, Jauch (2002) observes that derogations to labour rights seem to be more harmful to women than to men since the former are less unionized and trade unions have traditionally neglected feminine-specific issues, such as maternity leave. In Zimbabwe, the Labour Relations Act does not apply to EPZs. Conversely, some other SADC countries guarantee the full application of their labour legislation in EPZs. This is the case, for example, in Mozambique, where regulations on EPZs state that labour legislation shall apply and that national minimum wages have to be respected.
- <sup>61</sup> For more detailed discussion, see Caraway (2006), Kucera et al. (2011), and Kucera and Tejani (2014).
- <sup>62</sup> See Melitz (2003) and Bustos (2011) for detailed information.
- <sup>63</sup> Production tasks mostly coincide with blue-collar jobs while non-production tasks refer to activities related to management, sales, administration, etc. Although non-production tasks are mostly handled by white-collar jobs, non-traditional white-collar professional categories such as vendors are also included in this group.
- <sup>64</sup> For example, as noted by Kucera and Milberg (2000), the expansion of Organisation for Economic Co-operation and Development (OECD) trade with developing countries resulted in excessive job losses for women in OECD countries in import-competing industries such as textiles, footwear, and leather goods.
- <sup>65</sup> Since this section employs firm-level data, this analytical framework constitutes a micro analysis. A micro analysis allows for evaluating how tariff changes at the sub-sectoral level affect the female share of employment at the firm level. The focus here is on the manufacturing sector (rather than the broader industrial sector), as it is manufacturing that is mostly affected by tariff changes.
- <sup>66</sup> To be able to use a panel data approach for the analysis, only panel surveys are included in the sample. The WBES panel surveys follow the same firms for more than one period. The surveys are available in panel form for eight SADC countries: Angola (2006 and 2010); Botswana (2006 and 2010); the Democratic Republic of the Congo (2006 and 2010); Lesotho (2009 and 2016); Malawi (2005 and 2009; 2009 and 2014); South Africa (2003 and 2007); the United Republic of Tanzania (2006 and 2013); and Zambia (2002 and 2007; 2007 and 2013). Panel data allow for controlling the unobserved country-, time-, sector-,

and firm-specific individual effects. This empirical analysis employed a fixed-effect panel data model. Details about the technique are provided in Annex 1.

- <sup>67</sup> For example, the calculations show that on average the export tariff change was 2.38 per cent, and on average the import tariff duty change was 1.47 per cent in intra-SADC markets. Consequently, both values confirm increased trade liberalization within SADC regional trade over the period considered. Furthermore, in the dataset, the average export (import) tariff changes are 3.8 per cent (1.01 per cent) for sub-Saharan Africa, -1.05 per cent (0.62 per cent) for the European Union, and 0.19 per cent (0.20 per cent) for rest of the world. These figures show varying degrees of trade liberalization in most non-SADC trade partnership relations.
- <sup>68</sup> Details of the estimation methodology are presented in Annex 1.
- <sup>69</sup> The estimates are quite significant in magnitude for the non-production workers of exporting firms; however, since the relative size of white-collar employees is very small compared to blue-collar workers, these large estimates do not seem to affect overall female employment outcomes.
- <sup>70</sup> Specifically, a 1 per cent decrease in export duties faced in the SADC destination markets by SADC exports is correlated with an approximate 0.08 per cent increase in the overall female-to-male employment ratio.
- <sup>71</sup> The data show that more than 90 per cent of the exporting firms in the dataset sell their main product domestically as well. For this reason, the discussion on import competition will take into account the results of the exporting firms.
- <sup>72</sup> The figures for the other SADC member states for which data are available are 52 per cent in South Africa, 54 per cent in Swaziland, 61 per cent in Namibia and Lesotho, 63 per cent in Angola, 64 per cent in Zambia, 70 per cent in Madagascar and Zimbabwe, 78 per cent in Malawi, 80 per cent in Mozambique, and 84 per cent in Botswana. See SADC (2015c).
- <sup>73</sup> The ILO's definition of the industrial sector includes mining and quarrying, which is quite significant in the SADC region, as well as the manufacturing sector. Because of data constraints, this section looks at industry as a whole rather than manufacturing only. This section provides a macro analysis.
- <sup>74</sup> Note that, according to economic theory, with increasing exports it is expected that labour-intensive industries expand and capital-intensive industries shrink in developing countries. Considering that women are more likely to form the bulk of the low-skilled workforce in developing countries, this result seems to apply to the SADC region.
- <sup>75</sup> Seychelles became a WTO member in April 2015.
- <sup>76</sup> Note that the protocol addresses intra-regional trade in services, whereas GATS obligations are for all WTO members.
- <sup>77</sup> The average trade deficit for 2005–2007 was US\$12 million.
- <sup>78</sup> It is important to remember that the free trade agreement only concerns trade in goods; nonetheless, it is relevant to evaluate how services have changed since the formation of the agreement.
- <sup>79</sup> These are the only states for which the ILO makes this information available.
- <sup>80</sup> According to calculations based on the most current data from ILOSTAT, the sum of employment in financial services and insurance activities in total services employment is 0.6 per cent in Madagascar, 7.2 per cent in Mauritius, 6.4 per cent in Namibia and South Africa, and 1.4 per cent in the United Republic of Tanzania.
- <sup>81</sup> These calculations are based on the average nominal monthly earnings of employees according to gender and occupation provided by the ILO, and the gender-wage gap formula:  $(\text{male wage} - \text{female wage}) / \text{male wage}$ , as discussed in the core teaching manual.
- <sup>82</sup> See the tourism page of the SADC website at <http://www.sadc.int/themes/infrastructure/tourism/>.
- <sup>83</sup> Malawi, Zambia, and Zimbabwe are exceptions, as they have introduced duty-free status for goods sold by traders (below a certain value) under the Common Market for Eastern and Southern Africa Simplified Trade Regime (Mirand, 2015).
- <sup>84</sup> SADC countries provide short-term maternity leave. In contrast, there is paternity leave in Angola, the Democratic Republic of the Congo, Mauritius, Mozambique, South Africa and the United Republic of Tanzania (World Bank, Women, Business and the Law Database, accessed on 28 October 2018).
- <sup>85</sup> Similarly, the total share of women working in industry and services as well as the corresponding female-to-male employment ratios are used in the empirical analyses in Sections 3 and 4.
- <sup>86</sup> Demand elasticity of labour measures how much the demand for labour changes when there is a change in the wage rate.
- <sup>87</sup> Monopolistic competition refers to a market structure in which there are many firms selling products or services that are similar, but not exactly the same. These firms face a labour demand curve that is quite elastic (i.e. if a firm were to raise its price, consumers would purchase from a competitor).

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