Expert Meeting on

TRADE AS A TOOL FOR THE ECONOMIC EMPOWERMENT OF WOMEN

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Trade and Gender in the Services Sector of Ethiopia

By

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD
TRADE AND GENDER IN THE SERVICES SECTOR OF ETHIOPIA

Presented on
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by
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Main Points

- Introduction
- Government interventions towards women economic empowerment
- Trade and Women economic empowerment
- Challenges & Recommendations
LOCATION OF ETHIOPIA

- National Flag
1. Introduction

- In the Post-2015 /SDGs as well as in the African 2063 Development agenda women economic empowerment is given due emphasis which is the cornerstone for social & political empowerment of women.

- Since the service sector is closely aligned to MSE (micro & small scale enterprises),

- Trade and gender in the services sector could be visualized in the development of MSE in Ethiopia,
The country has a vision to be middle income country by the year 2020

Frameworks:
- The Ethiopian Constitution,
- the National Policy of Ethiopian Women & the Women Development and Change Package,
- Micro and Small enterprises (MSE) strategy is one of the strategies which address the economic empowerment of women,
- Responsible organ established – MSE Development Agency at Federal and Regional levels,
- Ministry of Trade and Ministry of Culture & Tourism have Gender Directorates and sectoral gender mainstreaming manual to promote women empowerment.
As a result:-

- Ethiopia has registered a remarkable broad-based, people-centered and sustainable economic growth over the past years,

- Status of women has shown considerable progress with their improved access to opportunities and resources,
3. **Trade and Women Economic Empowerment**

- Women in Ethiopia are benefited from the MSE strategy due to favorable conditions created by the government, (self-employment sector)

- Various types of women traders associations are in existence to create synergy:
  - Ethiopian Women Entrepreneurs Association,
  - Ethiopian Women Exporters Association,
  - Alliance of Women Entrepreneurs Program,
  - Center for acceleration Women Economic Empowerment.
## Trade and Women cont’d

### Definition of Small and Micro Enterprises (MSEs)

<table>
<thead>
<tr>
<th>Type of Enterprise</th>
<th>Sector</th>
<th>Human Power</th>
<th>Capital*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro Enterprise</td>
<td>Industry</td>
<td>≤ 5</td>
<td>≤ Birr 100000 ($6,000)</td>
</tr>
<tr>
<td></td>
<td>Service</td>
<td>≤ 5</td>
<td>≤ Birr 50000 ($3,000)</td>
</tr>
<tr>
<td>Small Enterprise</td>
<td>Industry</td>
<td>6-30</td>
<td>≤ Birr 1,500,000 ($85,000)</td>
</tr>
<tr>
<td></td>
<td>Service</td>
<td>6-30</td>
<td>≤ Birr 500,000 ($30,000)</td>
</tr>
</tbody>
</table>
TRADE AND WOMEN CONT’D
MSEs by Sector

- Trade: 34%
- Manufacturing: 21%
- Service: 21%
- Construction: 8%
- Urban Agriculture: 16%
**Trade and Women cont’D**

- **In the trade sector:**
  - women are concentrated in informal/petty trade and micro enterprises, mostly livelihood oriented
  - women traders are engaged in domestic product in small-scale & retail trade mostly limited to consumer goods like agricultural products, textiles, clothing, shoes, etc....

- **In the service sector:**
  - women are participated in Hotel, Tourism, solid waste collection and management, etc..., and benefit from low skill employment opportunities.
The MSE strategy ensures economic empowerment of women by facilitating:

- access to finance through saving and credits, as well as technologies,
- provision of capacity building and skills training in business and entrepreneurship,
- creation and strengthening of market access for women entrepreneurs,
- awarding prizes for best performers;
women that benefited from MSEs reached 48.4%

women provided with relevant skills development training reached 39.7%

54% of MFIs clients in Ethiopia are women with 45% loan share
TRADE AND WOMEN CONT’D

The composition of women in micro-enterprise is 65%.

Women constitute 26% in small-scale enterprises.

10% medium enterprise represent women.
Tourism - a major service sector where women’s participation is significant

Tourism is one of the largest urban employment generators compared to other labor-intensive and export-oriented sub-sectors

Women constitute 74% of employment in the tourism sector
The Ethiopian **National Tourism Development Policy** underlines employment generation focusing on women and youth,

The Ethiopian **Hotel and Tourism Training Center** provides skill development diploma (such as hotel management, catering, tour guide etc) where women are encouraged to take part,

**Culture & tradition related tourism** is paving livelihood opportunities for local communities including women,
TRADE AND WOMEN CONT’D
TOURISM VALUE CHAIN

Accommodation
Hotels/Lodges/camps/etc.

Food & Beverages
Restaurants,
Markets, Wholesalers, retailers
Producers, farmers

Souvenirs
Souvenir shops, markets, sellers
handcraft persons, local producers

Transportation
Country & Local
Bus, taxi, car rental, etc.

Guides, tour operators, travel agencies, etc.
The informal cross border trade is both a source of employment and livelihood particularly for people living in border areas of the country.

The role of women in cross border trade is mainly linked to small trades of different goods/products.

Because of the informal nature of the trade activities, limited data on cross border trade in general and women’s involvement in particular - COMESA
CHALLENGES

- Inadequate provision of:
  - relevant training and skills development,
  - finance and market,
  - women friendly technologies,
  - effective business networks and information,
  - Formalization & support services.
- Domestic responsibilities – care economy
- limited data on informal trade and cross-border traders,
- Cross border trade and business is also hindered by the existing poor infrastructure in terms of accessible roads and communication technology,
RECOMMENDATIONS

✓ Ensure the equitable provision of:
  ✓ finance, market, information, training and skills development for women and men;

✓ Support development of gender responsive economic empowerment programs that empower women especially in service trade to harness in a sustainable manner;

✓ Diversify the service trade by linking to the traditional handcrafts, manufacturing, etc... as per the existing comparative advantages of women,
Recommendations cont’d

✓ Enhance the development of tourism sector in a strategic manner, leveraging its comparative advantages of value chain;

✓ Improve women friendly environment for small-scale traders, while also encouraging gradual formalization of trade activities;

✓ Ensure the availability of sex disaggregated & gender analytical data in informal service and cross-border trade;
RECOMMENDATIONS CONT’D

- Promote male engagement to share the domestic responsibilities;

- Reducing women’s domestic workload through sharing and technologies;

- Documenting and disseminating good practices of women benefit from MSE, tourism as well cross-border trade.
Thank you for your attention