

Expert Meeting on

**TRADE AS A TOOL FOR THE ECONOMIC EMPOWERMENT OF
WOMEN**

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**TRADE AND GENDER AND DEVELOPMENT- A POLICY
PERSPECTIVE**

by

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The views expressed are those of the author and do not necessarily reflect
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TRADE AND GENDER AND DEVELOPMENT- A POLICY PERSPECTIVE

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Overall, governments need to understand the general challenges entrepreneurs face in making trade work for development and think through gender specific dimensions- including why it is that women are left behind. This will have the double dividend of improving the overall trade environment while enabling a critical part thereof benefit from the trade-development nexus. Below are some policy suggestions, addressing the 3 questions for discussion:

Policies to allow women access to education, skills building and capital development

Key argument is that governments must look within their backyards and see what has potential to work- and scale for impact on women:

Off the back of several years of interventions for women, including affirmative action, there have been incremental developments that although not initially looked at from a trade perspective, can play a key role in streamlining the environment through targeted policy interventions for the benefit of women. The following are proposed to create an enabling environment for Women in Trade (WIT).

- Create specific financial instruments made available to women- understanding their specificities notably the fact that they largely operate in the informal sector, are mostly unbanked and therefore unable to present the same amount of collateral as others would. Some of the approaches that have developed include special financing instruments for micro small and medium size enterprises, saving schemes such as SACCOS and other innovative lending instruments. Linked to this is the importance of regulation to ensure that their rights are protected- and their meagre savings are not compromised (stolen) through loan sharks.
- Governments should invest in training and certification to allow women to skill and upgrade and linked therewith negotiate better salaries in their tourism related jobs. One of the ways that has helped is to set up training centers of excellence - on the basis of which those who are trained can bargain for a premier price. Kenya's Utali could be a model for others. The idea would be to scale such operations, improving curriculum, creating innovative partnerships including with development partners, and making them more accessible by ensuring that fees are affordable. There could be thought to regional approaches wherein similar outfits are established in west and southern Africa- and they work together including by delivery of certified high quality programmes recognized all over the African continent for example as a mark of excellence.
- Linked to the above is that women should be encouraged to form associations in which their collective bargaining can be strengthened.

¹ Prepared for the UNCTAD Trade and Gender meeting. May 2016.

- Women face specific challenges including gender based harassment- sometimes sexual harassment when they engage in cross boarder trade (Defragmenting Africa- World Bank Report). Governments can correct this anomaly by implementing trade facilitation related reforms that streamline processes, rules and their application, stamping out corrupt tendencies including through measures such as publication of laws and regulations, single windows and strict punitive measures against corrupt officials. In tandem, women should be trained on their rights so that they can be enforced including through strict application of penal laws. Another way would be to ensure that women are responsible for (or part of the) management structures of cross border operations- as it could streamline some of the unwritten negative practices, making the environment overall more safe for women.
- Finally women should be encouraged to enter into the formal sector through simple trade processes and tax incentives that reward them for keeping records and paying tax. This formalization of their trade will enable them to operate in a regulated environment that is much more conducive from a protection perspective than operating under the radar.
- UNCTAD programmes such as on Enterprise Development (EMPRETEC), as well as the Business Linkages Programme support entrepreneurs including women to upskill with the toolkit to allow them to enter and remain in business. They have also supported women and other entrepreneurs to connect with larger businesses allowing them to have more credible and secure lines of credit as well as for their businesses to grow. Such trainings have had impact in Uganda, Ethiopia, Zimbabwe and indeed in Latin America. Indeed, just last week, the Secretary General Dr. Mukhisa Kituyi was in Cameroon, opening the UNCTAD Empretec Training Centre- which it is expected will boost entrepreneurial capacity in the country. Such programmes should be scaled and strengthened.

Policies to ensure benefits of tourism to women working directly and indirectly with the tourism sector

Key argument is that a broad investment in the tourism sector overall is a good investment- as the proportion of women engaged in the sector is large and improvements will have a direct effect on the social and economic conditions of women as well as enhancing their welfare.

- One of the core ways in which this can be done is to invest in the broad ecosystem of the tourism sector (hotels, roads, financial services, energy services, education etc.)- to ensure that the supportive infrastructure makes it easier for women to enter the tourism sector, create and expand jobs therein. The hospitality industry which is a critical part of the tourism sector is a natural advantage for women- and they should be encouraged by making the enablers supportive.
- Governments should invest in agriculture as it is here that most women are employed- either directly or indirectly including through services incidental to agriculture. Investment in agricultural productivity, overall and in specific crops as well as in ensuring that the yield and

benefits from agriculture reach their full potential is an investment for women with guaranteed dividends and should be seen as such.

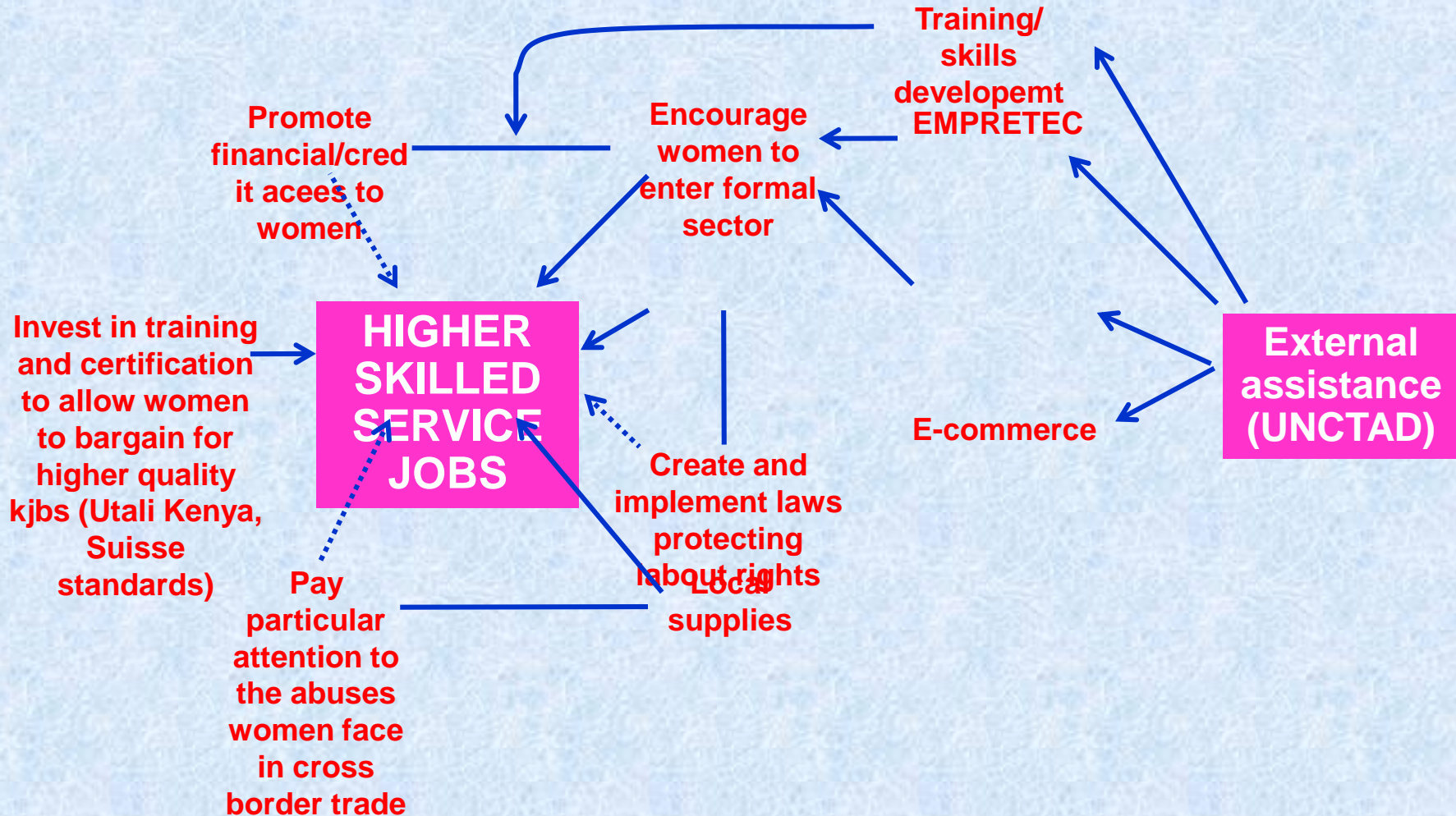
- Promoting liberalization of the tourism sector- at home through commitments, sectoral policy development as well as through enhanced external markets including regional, continental and international, will increase the opportunities coming out of the sector for women.
- Linked to the above is the issue of policy formulation that brands regions collectively as destinations, to increase scale so that with widened tourist visitors create more opportunities for women (e.g. Destination East Africa campaigns). This would need accompanying policies including on visa free movement to scale impact.
- UNCTAD is supporting developing countries through promotion of appropriate policy formulation, advisory services on links with other sectors and the importance of mainstreaming therein and in technical work in support of enhanced GATS commitments including in fora outside of the WTO.

Policies for governments to improve environment for small scale traders while encouraging formalization

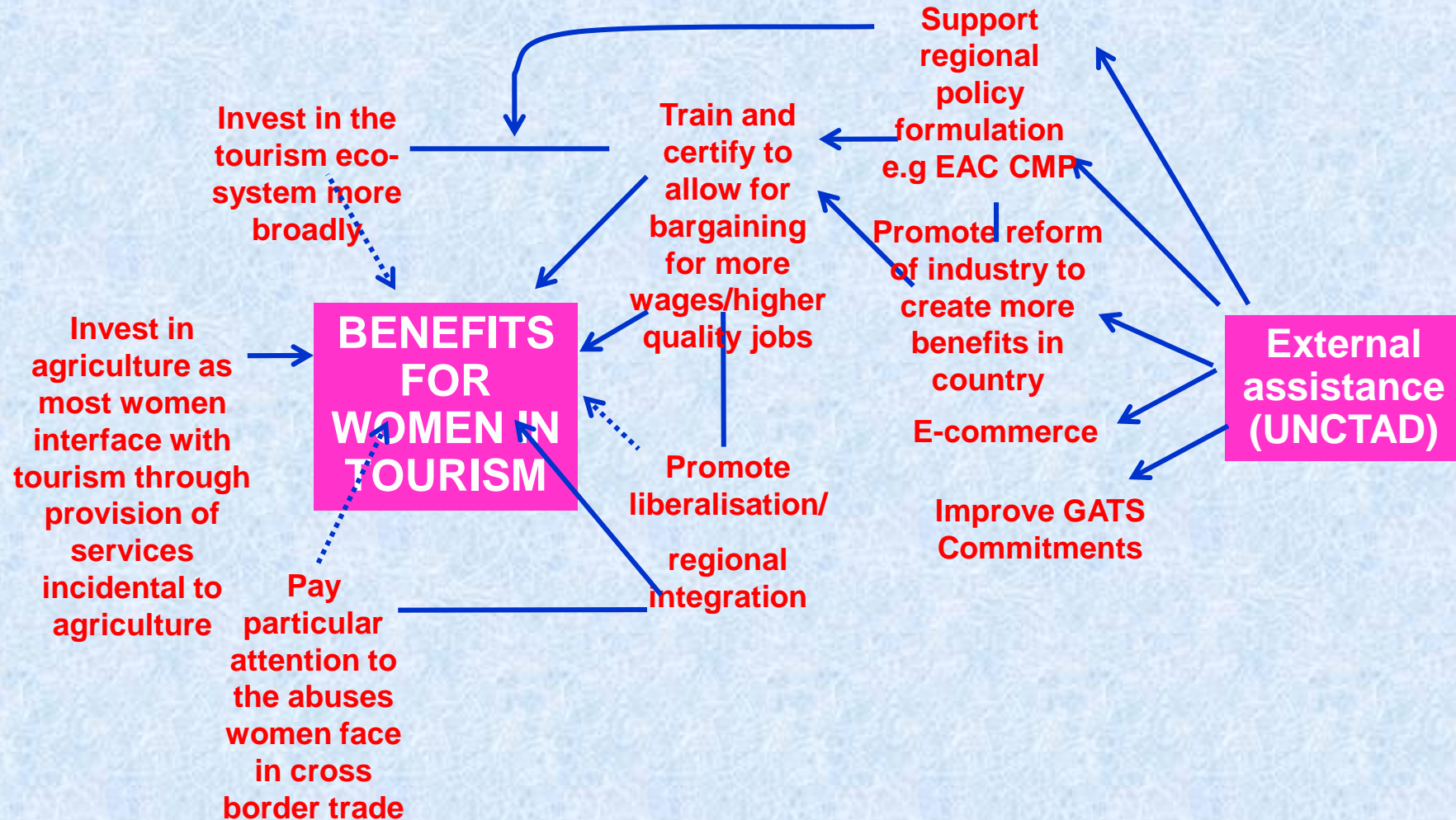
Key argument is to understand the needs of small scale traders as well as the gender dimensions therein to formulate approach to government intervention.

- Create specific trade support regimes to support women in the informal sector such as the COMESA Simplified Trade Regime which has a quicker process of clearing goods for those whose threshold amounts are below USD 1000. This has been critical in encouraging women to formalize. Other tools that have proven useful include lower taxes for those engaged in low threshold values in trade.
- Investment in the overall infrastructure supporting of trade will be necessary in supporting trade including for SMEs run by women.
- Several African countries are part of Regional Integration Schemes but the implementation track record remains weak. Investing in implementation of REC and continental decisions will bring the planned benefits to fruition.
- UNCTAD is supporting African countries to create and shape a pro-development CFTA with the attendant scale of opportunities at the continental scale. UNCTAD also provides advisory services to support policy formulation and trainings in business skills development.

Policies to allow women to have access to education, skills building and capital development



Policies to ensure benefits of tourism to women working directly and indirectly with the tourism sector



How can governments effectively improve environment for small-scale traders while encouraging formalisation

