

## Supporting women cross-border traders

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Over the past few years, matters on gender equality, gender biases and gender mainstreaming in trade policy have become more prominent in public debates with increased focus on women economic empowerment through trade. Women contribute significantly to cross border trade in Africa; they dominate informal cross-border trade, accounting for about 70%-80%<sup>1</sup>. Estimates reveal that informal cross-border trade contributes considerably to the economies of many African countries and provide income for approximately 43% of the continent's population.<sup>2</sup> Women are therefore crucial players for Africa in its quest of achieving SDG 5, and in exploiting the full potential of AfCFTA and other trade arrangements.

Africa's efforts to realize its full trade potential has, however, been impeded by a number of factors, including barriers that hamper women from effectively engaging in cross-border trade. This implies that their full contribution to trade within and beyond Africa is limited and they consequently move into informal trade which jeopardises their growth potential. In Africa, most women engage in trade largely for survival purposes, to meet their daily subsistence requirements.<sup>3</sup> Most women therefore engage in informal cross-border trade more as a necessity, than an opportunity, and this makes them vulnerable to exploitation.

Women engaging in cross border trade are burdened by diverse factors ranging from tariff to non-tariff barriers which include structural, policy and biased socio-economic

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<sup>1</sup> Larouche-Maltais, A. 2022. *Central African borders: A danger zone for women traders*. UNCTAD. <https://unctad.org/news/central-african-borders-danger-zone-women-traders>.

<sup>2</sup> Afrika, J.G., and G. Ajumbo. 2012. "Informal Cross-Border Trade in Africa: Implications and Policy Recommendations." African Development Bank Africa Economic Brief 3 (10). <https://www.afdb.org/en/documents/document/economic-brief-informal-cross-border-trade-in-africa-implications-and-policy-recommendations-30008>

<sup>3</sup> UNCTAD, 2019. *BORDERLINE: Women in informal cross-border trade in Malawi, the United Republic of Tanzania and Zambia*, p.13. Available at <https://www.tralac.org/news/article/12808-borderline-women-in-informal-trade-want-to-do-business-legally-and-become-more-prosperous.html>

norms,<sup>4</sup> all of which are exacerbated by heavy domestic-care burdens. A major challenge is lack of information on their rights and obligations under trade agreements and trade rules. Research conducted in 2019 by UNCTAD in 3 countries – Malawi, Tanzania and Zambia – revealed that most of the informal and small-scale cross-border traders, particularly women traders, are unable to identify the rules that apply to cross-border trade<sup>5</sup>. As a result, corrupt law enforcement officers can take advantage of this to collect bribes. Lack of information generally compounds most of the problems that women face in cross-border trading.

In addition, women face gender-specific challenges at the border, including harassment, verbal violence, and sexual abuse.<sup>6</sup> They also experience red tape at the border, bureaucratic border processes, as well as difficulties in complying with regulatory requirements. Consequently, they may often avoid formal border controls opting to use informal routes to avoid confiscation of their merchandise due to non-compliance. Even then, they are still susceptible to exploitation. Moreover, women face challenges relating to financial access and high interest loans. This limits their capacity to produce value added products, expand their operations, and prevents them from integrating into the regional value chains. Other challenges result from lack of inter-agency collaboration, and inadequate infrastructure at border posts.

Lack of comprehensive gender disaggregated data has also proven to be an aggravating factor to the challenges that are highlighted above. The relationship between trade and gender is a nuanced one because women experience unique challenges to men when engaging in cross-border trade. It is imperative for each African country to have an updated gender-disaggregated database on cross-border trade to enable policy makers develop trade policies that catalyse economic empowerment whilst also promoting gender equality.

One-Stop Border Posts can play an important role in eliminating some of these and other challenges, and so encourage small scale traders, mostly women, to formalise their businesses. Simplified Trade Regime (STRs) are also being implemented, thereby complying with Articles V, VIII and X of the GATT, that set high standards for the movement and clearance of goods, transit of goods, and publication and

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<sup>4</sup> UN Women, 2010. *Unleashing the Potential of Women Informal Cross Border Traders to Transform Intra-African Trade*. UN Women Fact sheet. <https://www.unwomen.org/en/digital-library/publications/2010/3/unleashing-the-potential-of-women-informal-cross-border-traders-to-transform-intra-african-trade>.

<sup>5</sup> UNCTAD. 2019 op cit.

<sup>6</sup> Bugingo, E. M. 2018. *Empowering Women by Supporting Small-Scale Cross-Border Trade*. Available at <https://www.tralac.org/images/docs/13116/bridges-africa-june-2018-ictsd.pdf#page=11>

administration of trade regulations.<sup>7</sup> However, these STR policies face implementation challenges due to lack of knowledge about the rights provided under these protocols, customs procedures, and required documentation. This Information asymmetry exposes small-scale traders to various vulnerabilities.<sup>8</sup>

Whereas the STR policies have significant potential to boost small-scale cross-border trade, especially women, addressing its implementation challenges is crucial. Urgent actions should include raising awareness among traders, including the lists of eligible products and the thresholds for trading under the STR. Providing training and capacity-building for all border officials on gender-responsive policy and increasing women's representation in decision-making processes are all important. These measures can unlock the full benefits of the STR policy for both traders and the broader regional economy.

When it comes to supporting women to engage in cross-border trade efficiently, much remains to be done; including setting up a multistakeholder committee that comprises cross-border women traders and border officials to enhance dialogue on cross-border trade facilitation; setting up simplified digital reporting mechanisms at the border where matters relating to gender specific violations are automatically escalated to the relevant authorities for prompt action; sensitizing women on trade matters, including their rights and obligations under Trade Agreements in their local dialect; and developing and deploying gender responsive policies such as subsidies for productive inputs that are gender responsive<sup>9</sup>.

Liberalizing cross-border trade is indeed a colossal force in creating new economic opportunities for women, if not done articulately, it can also be an avenue for further augmenting existing gender biases. To avoid this, trade policy makers need to pay specific attention to gender-specific challenges, handled

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<sup>7</sup> See World Customs Organisation, *Information Note: WCO instruments and GATT Articles V, VIII and X* <https://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/activities-and-programmes/tf-negotiations/wco-docs/wco-instruments-and-gatt-articles-v-viii-and-x.pdf?la=en>

<sup>8</sup> Titeca, K. 2020. *Informal cross-border DRC-Uganda border*. <https://nru.uncst.go.ug/handle/123456789/1292>.

<sup>9</sup> See von Hagen, M. 2014. *Trade and Gender – Exploring a Reciprocal Relationship: Approaches to Mitigate and Measure Gender-Related Trade Impacts*. [https://www.oecd.org/dac/gender-development/GIZ\\_Trade%20and%20Gender\\_Exploring%20a%20reciprocal%20relationship.pdf](https://www.oecd.org/dac/gender-development/GIZ_Trade%20and%20Gender_Exploring%20a%20reciprocal%20relationship.pdf); UNCTAD, *Annual Report 2011*. Geneva: United Nations Conference on Trade and Development. [https://unctad.org/system/files/official-document/dom2012d1\\_en.pdf](https://unctad.org/system/files/official-document/dom2012d1_en.pdf); and UNCTAD, “*Informal Cross-Border Trade for Empowerment of Women, Economic Development, and Regional Integration in Eastern and Southern Africa*” <https://unctad.org/project/informal-cross-border-trade-empowerment-women-economic-development-and-regional-integration>

effectively, they can translate into the desired economic outcomes for women who engage in cross-border trade under the AfCFTA and other trade arrangements.

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