







Customs and border management – Making borders work for women

The participation of women in cross border trade generates benefits not only for themselves and their households but also the national economies. According to the African Development Bank, small scale cross-border trade provides income for about 43 percent of Africa's population. Small scale trade has been a major feature of African economies as it contributes to job creation, especially for vulnerable groups such as women and unemployed youth, and food security through the trade of agricultural products. Small scale trade is characterized by the predominance of women traders. So, to discuss Intra-African trade, it is important to consider small to medium size traders and the important role of women.

Despite their critical role in cross-border trade, women often benefit only marginally from their trading activity due to a number of factors, including policy, institutional, cultural, economic, and regulatory issues. Supporting the growth of small to medium sized traders' trade capacity can help boost trade and contribute to overall <u>development goals</u>. Cross-border trade should be a profitable and sustainable activity for traders especially women, as well as a tool for economic development and enhanced regional integration. We focus here on what needs to be done to make the borders work for women.

- Making borders women friendly environments by increasing the proportion of women
 officials within their ranks. Women traders may feel intimidated at border posts where
 almost all staff in positions of authority are men. Therefore border agencies should take
 into account gender inclusivity and diversity in their recruitment and promotion policies.
- 2. Women traders need access to finance in different manifestations, including trade finance. Small-scale traders have very low start-up capital, usually drawn from household resources; hence there is a need for introducing loans at preferential terms and lower interest rates to small-scale traders, combined with training and mentoring activities.

www.tralac.org | info@tralac.org | @tradelawcentre | Copyright © tralac, 2023

Readers are encouraged to quote and reproduce this material for educational, non-profit purposes, provided the source is acknowledged. All views and opinions expressed remain solely those of the authors and do not purport to reflect the views of tralac.

For example, in Malawi, the Ministry of Gender has an arrangement with a number of banks to provide loans at preferential interest rates. The cross-border traders' associations (CBTAs) should get in touch with the banks to find out how traders can have access to the preferential rates, which are more affordable by cross-border traders. According to a McKinsey study, it was noted that if Africa's women are unable to access finance, Africa would lose out an estimated \$316 billion in GDP by 2025. Governments and policymakers can offer support to women entrepreneurs and women-led start-ups in Africa through targeted policies including gender-responsive budgeting and implementation of the AfCFTA.

Safe currency exchange transactions should be made available by ensuring the presence of certified money dealers or exchange bureaus at the borders.

- 3. Streamlining of border processes, elimination of cumbersome import and export procedures and a reduction in the number of border agencies involved in the clearance of cargo will reduce border delays. This will in turn lead to lower transaction costs for women traders and increase in profits. Increased efficiencies at the border will boost women entrepreneurship.
- 4. Education and awareness campaigns should be introduced via women's associations and cross-border trade associations, targeting small scale traders. Issues such as rights and obligations of traders, availability of existing trade facilitation initiatives designed to simplify business operations (e.g. simplified trade regime STR), trade requirements, and procedures should be discussed. Low literacy level is something any awareness and capacity-building activity for small cross-border traders, especially women, should take into account. Training and awareness on trade information should be tailored to the audience for example the small and micro businesses should have the information disseminated in simple language including the local language.
- 5. Women cross-border traders should be encouraged to participate in e-commerce and digital trade solutions. ICT tools should be made more accessible to women traders. In addition, there is need to organize trainings to build the capacity of these women in the field of ICT, this will help to increase their level of confidence to interact with technology. Digitalisation can make trade facilitation processes more affordable and agile. It also improves access to information and security and result in reduced harassment for women and small-scale traders due to ignorance. Digitalisation of documentation and processes can bring significant benefits, especially for women, as they take aspects of the compliance processes away from the borders, and reduce engagement with border officials.

- 6. Crafting policies that empower women to grow their businesses by giving them more opportunities to scale up their participation in established regional value chains. Women in agri-business can get access to new opportunities for value added agro-processing activities including any other downstream or upstream value addition activities.
- 7. Use of provisions embedded in the Trade Facilitation Agreement (TFA) for women empowerment. In the context of the TFA, there are two provisions that can be applied using a gender lens to indirectly support women in trade. Firstly, the TFA provides that customs procedures can be digitalized and this provides for a more inclusive environment for women traders by reducing trade related costs through elimination of gender trade barriers. By reducing the cost of doing business, women can close the gender wage gap by increasing their incomes. Secondly, the de minimis provision which provides that items below a certain value do not attract customs duties can be used to promote women's empowerment. This provision is empowering as it will encourage women to trade more formally. Trading formally can help women traders access finance much easier and grow their enterprises.
- 8. Providing better access to trade facilitation instruments such as the Simplified Trade Regime at both regional and continental level. The Simplified Trade Regime (STR) covers custom duty exemptions for products commonly traded by small scale cross-border traders. STRs aim to encourage small-scale traders mostly women to switch from informal to formal trade by lowering the costs of formal import and export procedures and easing of the official trade rules. STRs need to be better tailored to the needs of small-scale traders to promote incentives for the use of formal routes. The list of eligible goods needs to be expanded and regularly updated to include products that are most commonly traded and take into account seasonality. Measures to be put in place to ensure uptake of STR initiative.
- 9. Gender disaggregated data must be collected to inform policy formulation. The number of women cross-border traders and the nature of traded goods should be ascertained in order to come up with appropriate responses to women challenges. The first step toward addressing the challenges encountered by women cross-border traders is policy making which should be evidence based. Once the problem is identified and totally understood, then something can be done about solving it. Sex disaggregated data is essential in assessing how policies and actions impact women and men differently. Challenges that women face when trading may be different from those of men. Therefore the challenges women face can be addressed through gender responsive trade facilitation measures.

10. Improve border infrastructure to make it safer for women traders, for example by providing adequate lighting and installing closed-circuit TV cameras for increased security. Sanitation and sleeping facilities and public transportation from the borders to the main markets nearby need to be introduced at border crossings. Facilities for nursing mothers to breast feed or change baby clothing to be provided as well. Clear signage to be visibly placed at the border crossings for direction. Proper signage reduces incidences of harassment from unauthorised persons who gain access into the protected border area.

Challenges that women face when trading may be different from those of men, hence they should be addressed through gender responsive trade facilitation measures for women to grow their businesses and earn incomes that can sustain their families.

tralac gratefully acknowledges the support of its Development Partners



