

Gender, Value Chains and MSMEs in Africa: Exploring Primary Survey Data for the Clothing, Textiles & Leather Sector

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ABSTRACT

This Trade Report explores the nature of the clothing, textiles & leather sector (CTL) sector in Africa specifically from the perspective of medium, small and micro enterprises (MSMEs), utilising a new set of primary field survey-collected data. This is done by firstly considering the background relating to value chains at the global and regional chains in general, the current, post Covid-19 context and importance in terms of the AfCFTA process. Thereafter the paper directly explores the data by profiling its dimensions and then analysing patterns of enterprise female ownership, trade relationships and trade direction, as well as patterns of self-reported value chain 'position' in terms of the most important dimensions in the data.

Keywords: Value chains; Gender; Clothing, textiles and leather; MSMEs; Data analysis

About the Author

JOHN STUART is an economist and policy analyst with special interests in trade, economic integration, technology & ICT and economic modelling. He has researched and written extensively for tralac and also consulted to various organisations including the UN Economic Commission for Africa and the OECD. He holds an M. Com degree in Economics from the University of Natal (Durban). He currently serves as a tralac Associate.

Gender, Value Chains and MSMEs in Africa: Exploring Primary Survey Data for the Clothing, Textiles & Leather Sector

By John Stuart¹

Introduction

The clothing, textile and leather (CTL) value chain in Africa, which is one of the value chains identified as priority by the AfCFTA (AfCFTA 2021), is a dynamic and evolving sector, playing a significant role in the continent's industrialisation and economic development. This value chain encompasses a range of activities from the production of raw materials, such as cotton, to the manufacturing of textiles and apparel, and their subsequent distribution and retailing.

Regional Value Chains (RVCs), as seen in Africa and South-East Asia, are a localised form of Global Value Chains (GVCs), where countries within a specific region collaborate in creating a final product through value addition at various stages. In Africa, the participation in value chains is predominantly 'forward', focusing on exporting raw materials for processing elsewhere, which leads to a loss of potential economic benefits like growth and diversification. To shift from merely exporting raw materials to adding more value, it is crucial to identify the potential of specific sectors or industries, leveraging resources, labour, capital, and infrastructure. This involves not only developing underutilised RVCs but also designing policy to create new horizontal value chain connections, while not neglecting the needs of the MSME and female-owned contingents of the industries.

¹ I am grateful to Trudi Hartzenberg for valuable feedback on an earlier draft.

This trade report is one of four exploring the same theme, focussing respectively on the broad agricultural/agro-processing sector, the clothing, textile and leather sector, the pharmaceutical sector and the cosmetics & personal care sector. These papers consequently share certain identical narrative content.

I would like to thank the Enterprise Analysis Unit of the Development Economics Global Indicators Department of the World Bank Group for making their data available.

This paper explores the nature of the CTL sector in Africa specifically from the perspective of medium, small and micro enterprises (MSMEs), utilising a new set of primary field survey-collected data. This is done by firstly considering the background relating to value chains at the global and regional chains in general, the current, post Covid-19 context and importance in terms of the AfCFTA process. Thereafter the paper directly explores the data by profiling its dimensions and then analysing patterns of enterprise female ownership, trade relationships and trade direction, as well as patterns of self-reported value chain 'position' in terms of the most important dimensions in the data: inter-sectoral comparison, female ownership, entity size and REC membership.

Global and regional value chains for African development: potential, current context, AfCFTA context and gender considerations

The potential of global and regional value chains for development

Global and regional value chains (GVCs and RVCs) offer significant benefits to developing countries, primarily in fostering economic growth, diversification, and industrial development. Participation in these chains can lead to technology transfer, as companies from developed countries often bring advanced technologies and management practices to their operations in developing countries. This, in turn, can improve the productivity and competitiveness of local firms (Taglioni and Winkler 2016).

Additionally, integration into GVCs and RVCs can provide access to international markets, allowing developing countries to benefit from economies of scale and to specialise in specific stages of production where they have a comparative advantage (World Bank 2020a). This specialisation can lead to an increase in value-added activities and, consequently, higher income levels.

Furthermore, GVCs can stimulate job creation and skill development, as local workers gain experience in various aspects of production and international business practices (UNCTAD 2013). Moreover, RVCs, specifically, play a crucial role in promoting regional integration and cooperation, which can be pivotal for smaller economies in accessing larger markets and negotiating trade agreements (African Development Bank Group 2014). However, it is important to note that the benefits of GVCs and RVCs are not automatic and depend on the ability of a country to effectively engage and upgrade within these chains.

Threats to GVC development in a post Covid-19 world: de-globalisation

In the post-COVID-19 landscape, Global Value Chains (GVCs) are facing significant disruptions and transformations. One of the primary threats is the rising trend of 'de-globalisation', characterised by a shift towards more protectionist trade policies by several countries. This shift challenges the traditional model of GVCs, which relies on the free flow of goods and services across borders (Baldwin & Evenett 2020). Additionally, there's a growing inclination towards 're-shoring' and 'near-shoring', as companies aim to reduce their dependency on distant suppliers and minimise supply chain vulnerabilities exposed by the pandemic. This involves bringing production processes back to the home country (re-shoring) or moving them to geographically closer countries (near-shoring), thereby shortening and simplifying supply chains (UNCTAD 2021b).

Another emerging concept is 'friend-shoring', which entails relocating supply chains to politically stable and friendly countries to mitigate risks associated with geopolitical tensions (Financial Times 2022). These trends collectively signify a move away from the highly integrated, cost-driven GVCs of the past, towards more regionally focused, resilient, and politically stable supply chain structures. While this shift could lead to greater supply chain resilience, it also poses challenges in terms of potentially higher costs and reduced efficiency due to the loss of scale and specialisation benefits that traditional GVCs offer (World Economic Forum 2021).

The African context: the AfCFTA as a framework for African industrialisation

The AfCFTA sets the stage for promoting and expanding regional value chain (RVC) development. As Africa is on the brink of embracing free trade and heightened economic integration in various areas, there is a need to focus on enhancing and deepening value chain trade among member states. These efforts could address several key issues (Stuart 2023a):

1. Counteracting Africa's deindustrialisation, characterised by a steadily declining share of manufacturing value-added in total value-added. Over the last thirty years, African economies have increasingly relied on primary and services production, hindering their ability to enhance their industrial activities. RVCs allow for a level of specialisation that individual countries might find challenging to achieve alone, as evidenced by the industrialisation of South East Asian countries in the last century. While that model of industrialisation has become more challenging, the approach through RVCs remains viable for African countries.

2. Minimal intra-African trade, which currently stands at about 14% of Africa's total trade (ITC Trade Map 2022). Despite being integral parts of global value chains, primarily as forward-linked primary producers, African countries have limited integration among themselves. Several factors contribute to this, including the low complementarity of African economies. Nevertheless, intra-African trade liberalisation under the AfCFTA, geographical closeness, active industrial and trade policies, and public-private cooperation could alter these dynamics. Value chain relationships, which are robust in economically similar regions like Europe and South East Asia, hold similar potential for African economies.

Furthermore, the involvement of the private sector, particularly the engagement of larger firms, is essential. This is because the most effective value chain configurations often involve cross-border, intra-firm value transfers (UNCTAD 2015).

3. Gender disparities in business ownership and leadership within African economies. By analyzing sector-specific variations, policies can target industries where training and capacity building for female entrepreneurs and workers can help increase their participation and compensation. Concurrently with the promotion of high-potential value chains, female enterprise participation and ownership can be enhanced (see Stuart 2022).

The final point above is expanded on in the next sub-section.

The potential of RVCs for women entrepreneurs

Participation in Regional Value Chains (RVCs) can offer significant benefits to female-owned and managed businesses in developed countries, particularly in terms of enhanced market access, increased competitiveness, and opportunities for business growth. Engaging in RVCs enables these businesses to tap into new markets within their region, which can be less daunting and more accessible compared to global markets, due to geographic proximity, shared cultural and regulatory environments, and existing regional trade agreements (European Commission 2020). This access can lead to increased sales and revenue growth.

Moreover, RVC participation can drive competitiveness for female-led enterprises. It encourages these businesses to adopt higher standards in quality, efficiency, and innovation to meet the demands of regional markets, thereby improving their overall competitiveness (OECD 2019). Participation in RVCs

also often involves collaborations with other regional businesses, which can facilitate knowledge and technology transfer, vital for business modernisation and development (World Bank 2020b).

Furthermore, RVCs provide opportunities for scaling up. Female entrepreneurs can leverage the networks and partnerships formed within RVCs to scale their operations and diversify their products and services, crucial for long-term sustainability (UNCTAD 2021a). Importantly, engaging in RVCs can also empower female entrepreneurs by providing them with a platform to overcome traditional gender barriers in business, enhancing their visibility, and enabling them to contribute more significantly to economic growth and development in their regions (International Trade Centre 2020).

Exploring African MSME primary survey data for value chain and gender insights

The tralac MSME gendered value chain survey 2023

Overview of the survey process and purpose

The primary objective of the survey was to maximise respondent participation within the limits of available resources and budget. The survey was spearheaded by two main field researchers, with Beru Lilako overseeing the Kenyan segment and Nana Banyin managing the survey in Ghana. An important aspect of the survey design was the use of an online form, which eliminated the need for face-to-face interviews, thereby enhancing efficiency and reach.

The survey was conducted in two distinct phases. Initially, it focused exclusively on Kenya and Ghana, but the scope was subsequently broadened in the second phase to encompass a total of 21 countries across East, South, and West Africa. To ensure inclusivity and a wider reach, the survey was made available in both English and French. The French version garnered 53 responses from countries like the Democratic Republic of Congo, Cameroon, Mauritius, Senegal, and Uganda, while the majority of the responses, 506 out of the total 559, were collected through the English version.

Comparison with similar recent surveys

When compared to other recent surveys, several distinctions become apparent. For instance, the World Bank Enterprise Surveys (World Bank Enterprise Surveys 2022), which have been ongoing for over two decades since 2002, encompass 162 countries, including 44 in Sub-Saharan Africa and 5 in North Africa. These surveys offer a comprehensive analysis of various business dimensions, particularly the

challenges posed by the business environment, but they do not address constraints related to the utilisation of Preference Trade Areas (PTAs).

The Intracen non-tariff measures (NTM) surveys (ITC 2023), with responses from around 30,000 participants in 70 countries, explores the experiences of companies with NTMs. However, these surveys have a different focus compared with the survey conducted for this research.

Additionally, there is the ACBI Pilot Project from 2020 (ACBI 2020), which initially covered Zambia and Cameroon before expanding to seven countries. This survey examined the business environment, Free Trade Agreement (FTA) usage, and challenges related to FTA utilisation, including some questions relevant to value chains.

Lastly, the survey conducted by Stuart and MacLeod in 2021 (Stuart & MacLeod 2021) under the auspices of UNECA also warrants mention. This study focused on PTA utilisation and the business environment, offering insights into areas similar to the current survey's objectives and methodology.

Main demographic features of the survey

Geographic coverage

Figure 1 presents a geographical distribution of survey responses within the Clothing, Textile, and Leather (CTL) sector with the balance of the sectors. The location of the bubbles over country locations reflects the origin of the responses and the sizes of the bubbles on the maps are proportional to the number of responses. Each bubble is divided between CTL response numbers and the rest of the sectors in total.

The CTL sector, known for its intricate supply chains and labour-intensive nature, shows a notable presence in countries traditionally recognised for their textile and apparel production. This includes nations such as Kenya (seventh largest export category) and Ethiopia (sixth and seventh most important export categories), which are prominently featured. Additionally, countries like Zimbabwe and Senegal, despite their diversified economic structures, also display a considerable number of responses within this sector.

In comparison to the agribusiness sector, the CTL sector exhibits a more selective geographical representation in the survey. Some countries, particularly those with growing textile and apparel industries, demonstrate a higher sectoral focus. It is also noteworthy that the universal presence

observed in the agribusiness sector is less apparent here, underscoring the CTL sector's concentrated industrial footprint within specific economies on the continent.

Table 1 provides a breakdown of responses by main REC membership².

Table 1: REC Distribution of responses

REC	Other	Textiles, apparel & leather	Total
SADC	82%	18%	100%
EAC	80%	20%	100%
ECOWAS	84%	16%	100%
ECCAS	91%	9%	100%
COMESA	85%	15%	100%
CENSAD	100%	0%	100%
All	83%	17%	100%

Source: Author's calculations based on tralac gendered value chains primary database

In the case of CTL businesses, there is greater proportional representation in the EAC than in SADC, but the differences are not significant, and nor for ECOWAS. ECCAS is not well represented in the sample but has a proportionately lower representation in this sector.

² Due to overlapping REC memberships among many of the represented countries, each country was assigned a 'main REC' membership, where the choice was driven by the extent of integration offered by the REC.

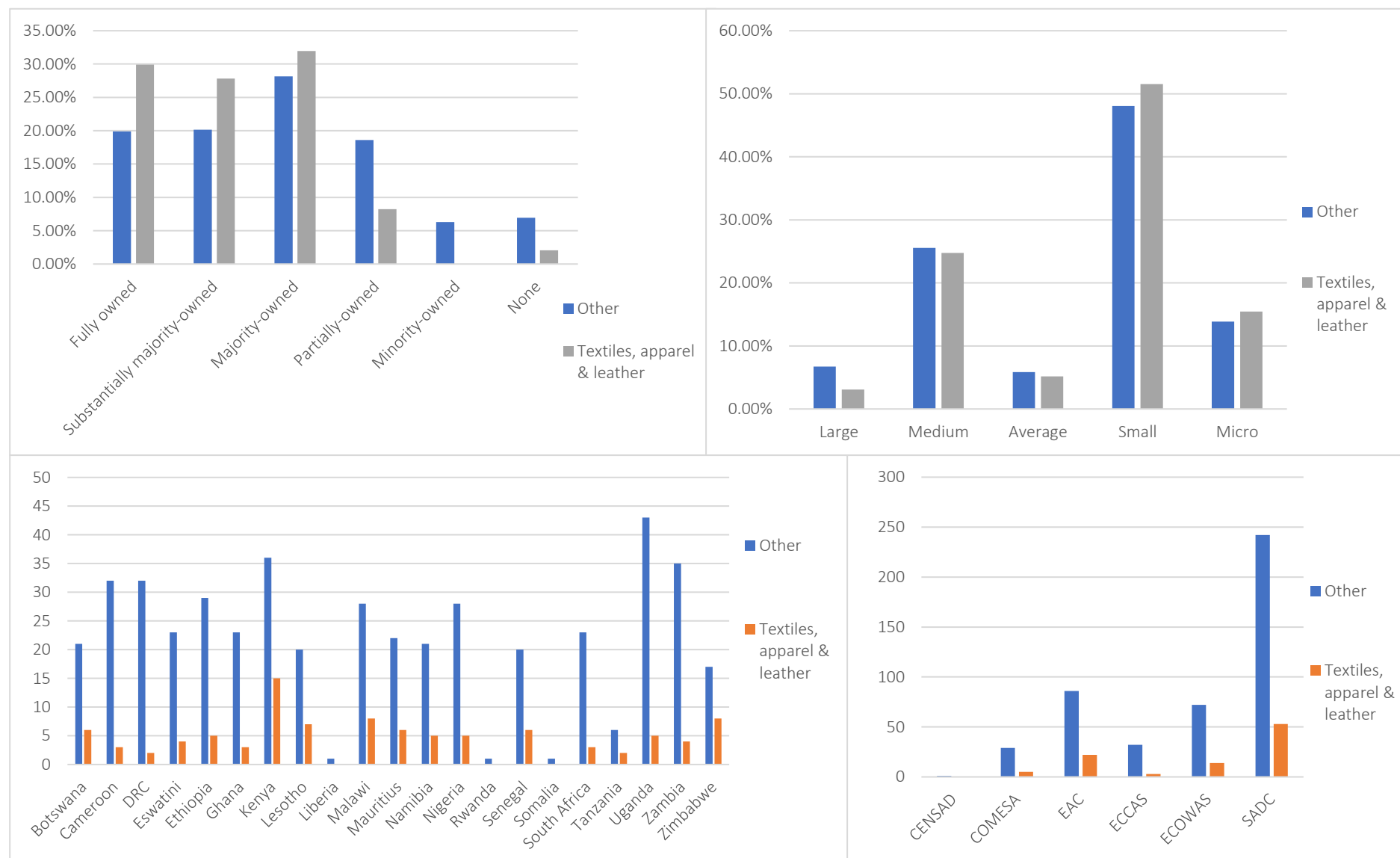
Map of Africa showing the export composition of 20 countries. The legend indicates: Blue for 'Other', Yellow for 'Textiles, apparel & leather', and Green for 'BinarySectorCTL'.

Export Composition Data (Estimated from Pie Charts):

Country	Capital	BinarySectorCTL (%)	Textiles, apparel & leather (%)	Other (%)
Senegal	Nouakchott	~10	~10	~80
Gambia	Bamako	~10	~10	~80
Guinea-Bissau	Conakry	~10	~10	~80
Sierra Leone	Conakry	~10	~10	~80
Liberia	Monrovia	~10	~10	~80
Benin	Cotonou	~10	~10	~80
Togo	Lomé	~10	~10	~80
Ghana	Accra	~10	~10	~80
Nigeria	Abuja	~10	~10	~80
Cameroon	Yaoundé	~10	~10	~80
Central African Republic	N'Djamena	~10	~10	~80
South Sudan	Juba	~10	~10	~80
Ethiopia	Addis Ababa	~10	~10	~80
Uganda	Kampala	~10	~10	~80
Kenya	Nairobi	~10	~10	~80
Tanzania	Dar es Salaam	~10	~10	~80
Malawi	Lilongwe	~10	~10	~80
Zambia	Lusaka	~10	~10	~80
Zimbabwe	Harare	~10	~10	~80
Namibia	Windhoek	~10	~10	~80
Botswana	Gaborone	~10	~10	~80
Mozambique	Maputo	~10	~10	~80
Swaziland	Mbabane	~10	~10	~80
Lesotho	Maseru	~10	~10	~80
South Africa	Pretoria	~10	~10	~80
Madagascar	Antananarivo	~10	~10	~80

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Figure Group 1: Demographics clockwise from top left: female ownership, entity size, REC distribution, country distribution



Source: Author's construction based on tralac gendered value chains primary database

Female ownership, entity size distribution and country distribution

Two very important dimensions that were captured for each responding enterprise were the extent of female ownership – captured as a percentage ownership but utilised as a categorical variable too – and entity size. The latter is usually interpreted as follows:

1. Very large: more than 250 employees
2. Large: 100 to 249 employees
3. Medium: 20-99 employees
4. Small: 5-19 employees
5. Micro: 1-4 employees

In addition, respondents were allowed to choose the category ‘average’ if they were unable to categorise their entity size any other way. The category ‘average’ is therefore somewhat ambiguous but fortunately is not a very large category in the sample. It has been ranked between ‘small’ and ‘medium’ for the purposes of the visualisations.

Female ownership percentage responses were classified by the author to the following categories:

1. 100% owned: fully owned
2. 75-99% owned: substantially majority owned
3. 50-74%: majority owned
4. 25-49%: partially-owned
5. 1-24%: minority owned
6. 0%: none

Figure Group 1 comprises four charts that provide an analysis of female ownership and entity size, alongside the REC (which has already been discussed above) and country distribution for the Clothing, Textile, and Leather (CTL) sector. An important observation from the ownership data is that the sector displays a higher prevalence of female ownership across the three highest ownership categories when compared with the aggregate, and even when compared with the agribusiness sector. This pattern has

been observed in other research too and signifies the importance of this sector to female industrial empowerment.

In terms of entity size distribution, the 'small' category remains the most prevalent, a trend consistent with the broader dataset. However, the CTL sector shows a greater proportion of 'micro' and 'medium' sized entities, indicating a sector characterised by a significant number of smaller scale operations, potentially reflecting the artisanal nature of many businesses within this industry.

The country response distribution offers additional insights specific to the CTL sector. Significant representation is noted in nations such as Kenya, Lesotho and Zimbabwe, with under-representation seen in Zambia, Uganda and the DRC. This may reflect the varying degrees of industrial development and market focus on textiles and apparel within these economies.

Trade relationships and trade direction

The primary survey questionnaire contained a question relating to the trade partners of the responding entity:

"Which African and non-African countries do you trade the most with? (list maximum 3 for each, in order)"

Each respondent had the option to return up to three trade partners, while many listed as many as five. There was no aspect to the question that required the specification of a trade direction, that is, whether the relationship with the listed countries was an import or export relationship. However, when cross-referenced with other questions, such as whether the respondent utilises preferential trade areas (PTAs) and what the respondent entity's position is in the value chain, it is possible to gain further insights on the trading nature of the respondent entity.

In order to assess the relative predominance of trade relationships among the respondents, the trade partners were ranked in the order they were returned and each rank turned into a weight. These weights were then aggregated for countries and sectors; the calculated data for the CTL sector is provided in the Appendix. This data could then be used to construct 'network' type diagrams, showing the trade connections between countries in the survey. The left hand side (LHS) chart in Figure Group 2 overleaf visualises this data. No 'arrowheads' are included in the link between the country nodes because the direction was not specified by the respondent. However, the thickness of the link reflects

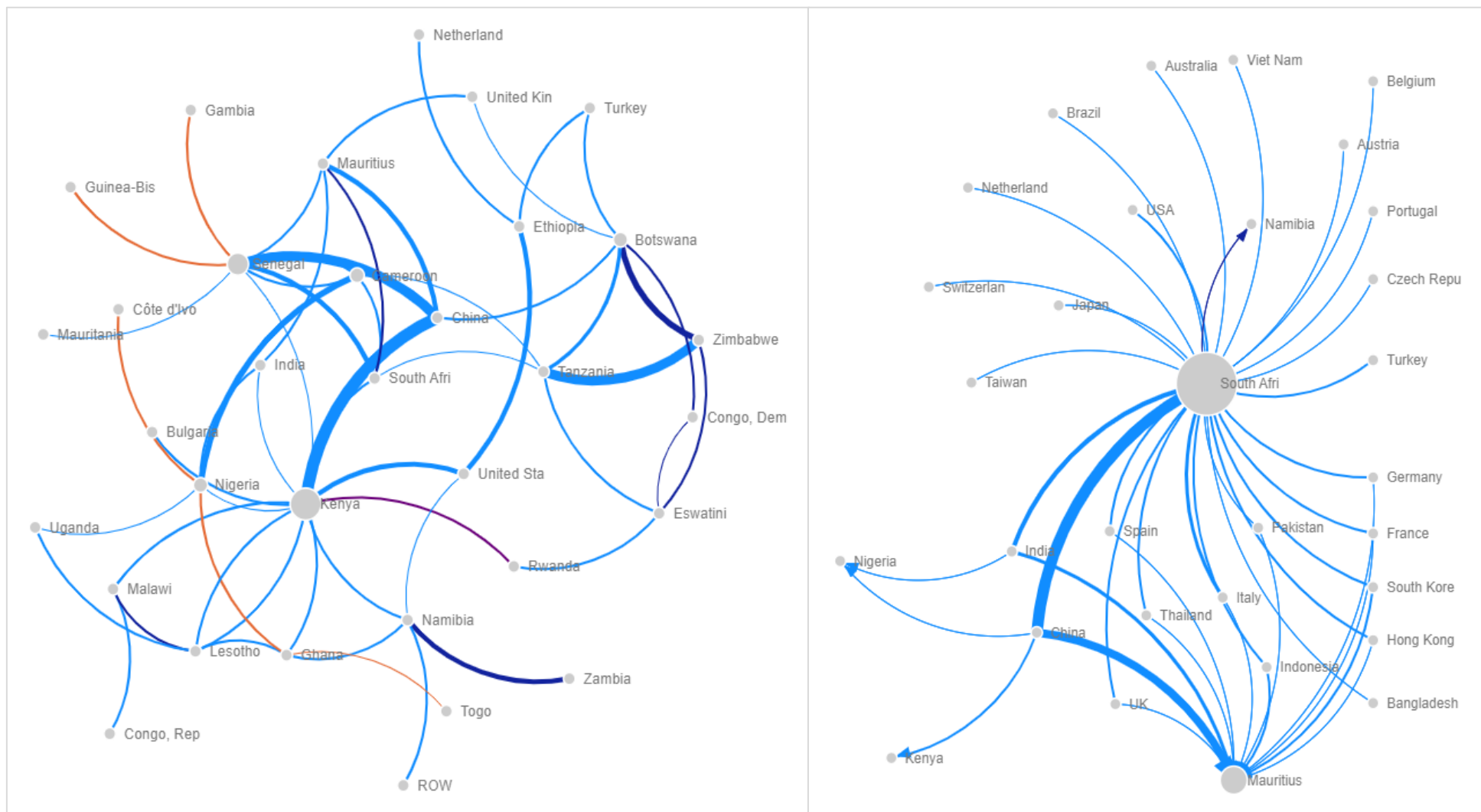
the weight, or predominance of the link in the survey. In addition, the colour of the link reflects whether there is a mutual REC membership between the two trade partners³.

Comparison with Eora directional value chain data

The right hand side (RHS) chart in Figure Group 2 overleaf is a directional trade chart constructed using tralac's directional value chain database, which is derived from the UNCTAD-Eora value chain database (UNCTAD 2022). This visualisation features arrowheads on the links, indicating trade direction. The country with the arrow pointing away from it is the value originator and the value receiving country is the value exporter. The survey MSME data therefore reflects trade relationships in general, whereas the aggregate value chain data strictly reflects the directional relationships between originator country (base of arrow) and exporter country (arrowhead).

³ Due to overlapping REC memberships among many of the represented countries, each country was assigned a 'main REC' membership, where the choice was driven by the extent of integration offered by the REC.

Figure Group 2: Trade relationships visualised: LHS - survey-derived trade relationships, RHS - UNCTAD-Eora derived directional trade relationships (value truncated)



Source: Author's construction based on tralac gendered value chains primary database (LHS) and author's construction based on tralac directional value chains database (RHS)

The same data used in the visualisations is also summarised in Table 2, where the main regions' trade relationships are ranked in order from top to bottom. This data aids the understanding of the relationships depicted in the charts.

In contrast with the agribusiness sector (analysed in a related tralac paper), the CTL sector shows a more globalised trade pattern, with significant trade relationships extending beyond the African continent. This is partly due to the global nature of fashion and textile industries, where raw materials, manufacturing, and consumption often occur in different regions. The extent of intra-African trade within the survey's MSME (and mostly small) respondents is however, significant, and is the dominant trade relationship according to the data in the LHS of Table 2.

When it comes to intra-REC trade, the LHS chart in Figure Group 2 shows some intra-SADC trade (purple arrows), some intra-ECOWAS trade (orange arrows) and one trade relationship for the EAC – that between Kenya and Rwanda. The balance of trade relationships are with non-REC African partners or countries in the rest of the world. Significant non-REC intra-African trade relationships are between Cameroon and Nigeria, South Africa and Senegal, Uganda and Lesotho, Kenya and Lesotho, Congo and Malawi and Rwanda and Eswatini. Significant trade relationships with the rest of the world are those between Kenya and China, Senegal and China, Mauritius and China and United States and Ethiopia.

Table 2: Comparison of trade relationships by main region: survey MSMEs (LHS) and aggregate value chain data (RHS)

Region	Weight	Region	Exports
Sub-Saharan Africa	62%	East Asia and Pacific	51%
East Asia and Pacific	17%	Europe	26%
Europe	8%	South Asia	14%
North America	7%	Sub-Saharan Africa	4%
South Asia	4%	North America	2%
North Africa	2%	Latin America & Caribbean	2%
		Arab States	1%
Total	100%	Total	100%

Source: Author's calculations based on tralac gendered value chains primary database (LHS) and author's calculations based on tralac directional value chains database (RHS)

The aggregate value chain data represented in the RHS chart – *which is ‘top-sliced’ and therefore reflects the dominant flows only* – is also summarised by region in the RHS section of Table 2. The pattern is quite clear, with two African countries – South Africa and Mauritius – dominating as exporting hubs with multiple trade partners as originators of CTL value.

When compared with agribusiness data, the dominance of the East Asia & Pacific region is clear for the CTL sector. Intra-African trade is only 4%, compared with 62% for the MSME data. Therefore, in common with the agribusiness sector, MSMEs are more involved in intra-African trade than larger businesses, an important insight for policy and strategy relating to trade facilitation and small enterprise support.

It should be noted that the patterns in the RHS chart are not the total, only the dominant patterns. The trade relationships cited in our survey would fall below the threshold for that chart, providing the main reason for the stark differences in the two charts. However, it does make plain that strategies to facilitate intra-African trade and integration should not neglect the role and importance of MSMEs.

Relative position in the value chain

The ‘position in the value chain’ refers to the whether the enterprise is primarily a producer of raw materials, intermediate goods (in a variety of beneficiated states) or finished goods for final consumption. The product states that lead to value chain trade are strictly speaking those that will require further processing in a different country, but for our purposes we are interested in all relative positions in the value chain, for the potential insights into trade and industrial policy that they can yield.

While the survey featured multiple questions relating to import and export value chain participation, for this final section on relative value chain participation we are focusing only on the following one:

“If you import, what is the best description of the beneficiation state of products that you import?”

The answer options given were as follows:

1. Finished goods – Africa
2. Finished goods – non-Africa
3. Intermediate goods – Africa
4. Intermediate goods – non-Africa

We therefore regard an entity that imports finished goods as the ‘final’ stage in the value chain. This entity may or may not add packaging (if the items are in bulk) but there is the possibility that only services value will be added to the products. For example, business services, financial services, transport services and ITC services (for example if the items are traded through a website). Nevertheless, the adding of services to the value of the product still represents a late stage (or ‘upgraded’) stage in the value chain.

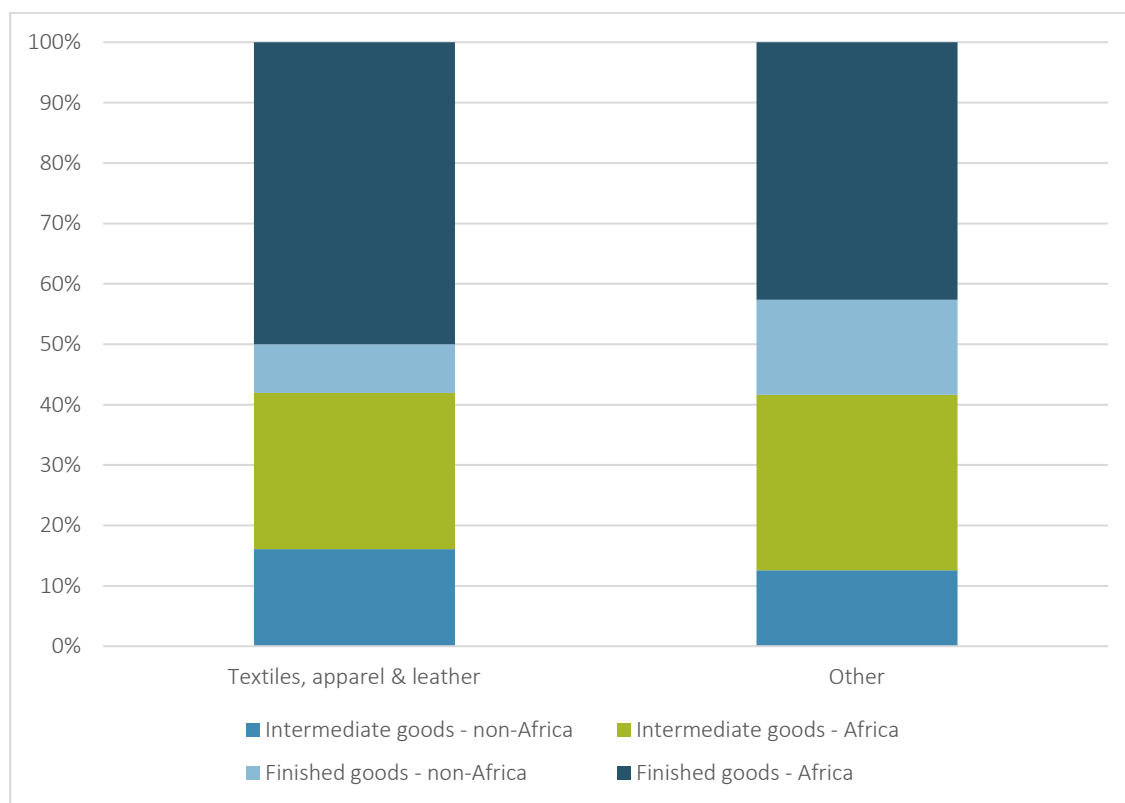
On the other hand, if an entity imports intermediate goods it will presumably do one of two things:

1. Further beneficiate the products and sell them locally or cross border as more processed intermediates
2. Further beneficiate the products and sell them local or cross border as finished goods.

Value chain position vs other sectors

Figure 2 and the associated data in Table 3 allow comparison of the relative value chain position of the CTL sector compared with the balance of the sectors.

Figure 2: Position in value chain: CTL sector vs other sectors (graphical)



Source: Author’s construction based on tralac gendered value chains primary database

Table 3: Position in value chain: CTL sector vs other sectors (tabular)

Sector	Intermediate goods - non-Africa	Intermediate goods - Africa	Finished goods - non-Africa	Finished goods - Africa	Total
Textiles, apparel & leather	16%	26%	8%	50%	100%
Other	13%	29%	16%	43%	100%
ALL	13%	29%	14%	44%	100%

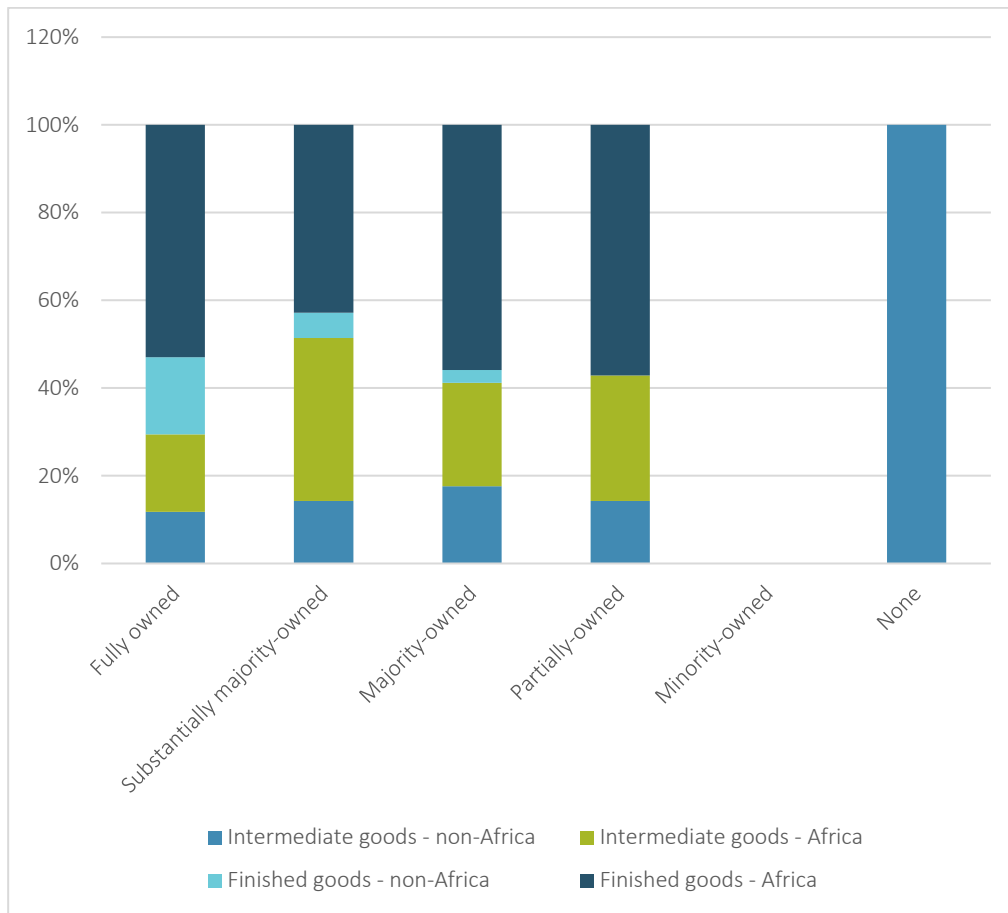
Source: Author's calculations based on tralac gendered value chains primary database

This data tells us that the CTL sector is a little more reliant on intra-African trade for finished goods than the aggregate for other sector. By contrast, it is 50% less dependent on finished goods from non-African imports than the aggregate for the other sectors. This suggests a meaningful proportion of clothing manufacture/textile beneficiation using both locally sourced and imported components such as textiles and clothing accessory components such as buttons and zips. However the MSMEs in our survey are more dependent on other African sources and this pattern is clear in the data.

Value chain position and gender, size

The same data analysed by gender reveals some interesting insights (Figure 3 and Table 4). The category 'minority owned' is missing from this data subset, but besides that it is clear that three of the top four female ownership categories show significant dependence on imported finished goods from Africa. There is very little utilisation of finished imports from non-African sources, but some (an average of 16%) utilisation of non-African intermediate product. About 42% of this sector represents intermediate value, implying the same proportion of manufacturing beneficiation (as opposed to primarily services value addition to finished goods imported).

Figure 3: Position in value chain: gender dimensions (graphical)



Source: Author's construction based on tralac gendered value chains primary database

Table 4: Position in value chain: gender dimensions (tabular)

Female Ownership	Intermediate goods - non-Africa	Intermediate goods - Africa	Finished goods - non-Africa	Finished goods - Africa	Total
Fully owned	12%	18%	18%	53%	100%
Substantially majority-owned	14%	37%	6%	43%	100%
Majority-owned	18%	24%	3%	56%	100%
Partially-owned	14%	29%	0%	57%	100%
None	100%	0%	0%	0%	100%
All	16%	26%	8%	50%	100%

Source: Author's calculations based on tralac gendered value chains primary database

In comparison with the agribusiness sector, which is analysed in a related tralac paper, there is no specific pattern in relative value chain position. In that sector, female-owned businesses, which tend

towards the smaller end of the scale, are less involved in intermediate goods trade and more involved in final goods trade. When it comes to the size of enterprises (Table 5), while most enterprise sizes are quite dependent on finished African-sourced goods, the larger sized enterprises dominate the importation of intermediate products. This could be related to the capital outlay requirements to manufacture textiles into apparel. Both specialised equipment and semi-skilled workers are required for manufacture, but for retail these are not required.

Table 5: Position in value chain: size dimensions (tabular)

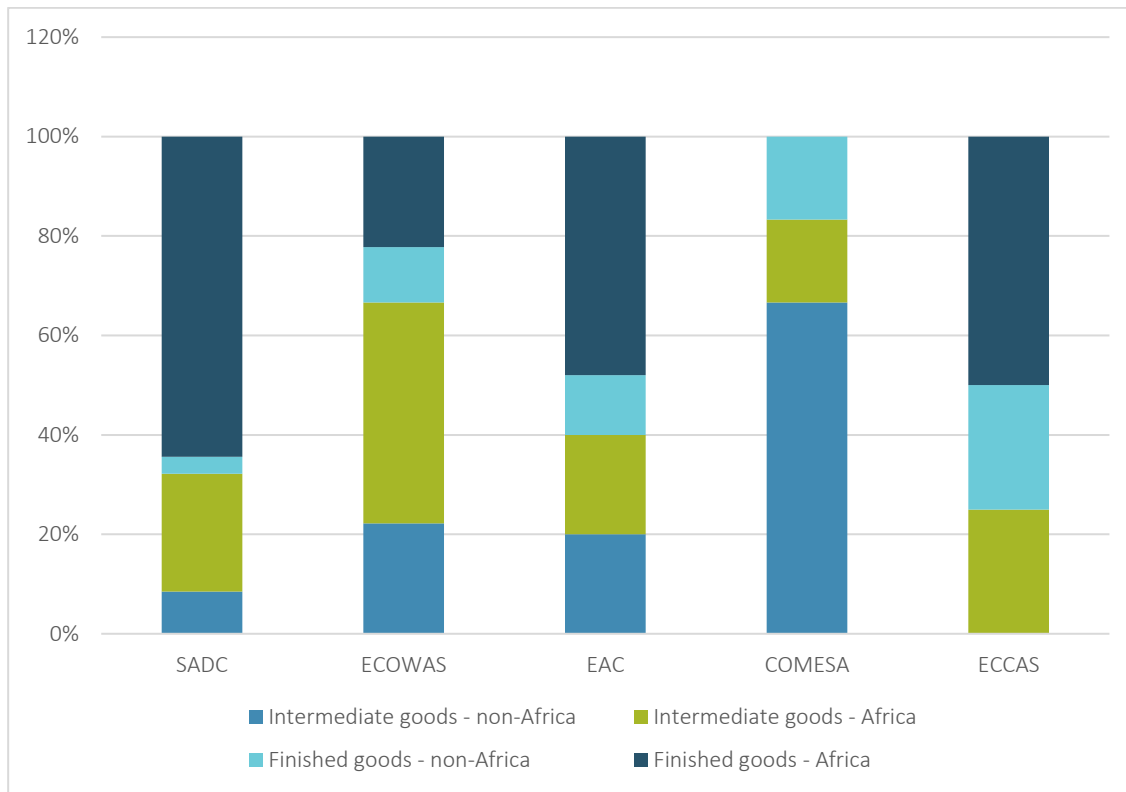
Entity Size	Intermediate goods - non-Africa	Intermediate goods - Africa	Finished goods - non-Africa	Finished goods - Africa	Total
Large	20%	40%	0%	40%	100%
Medium	15%	33%	0%	52%	100%
Average	13%	63%	0%	25%	100%
Small	18%	18%	11%	54%	100%
Micro	13%	20%	20%	47%	100%
All	16%	26%	8%	50%	100%

Source: Author's calculations based on tralac gendered value chains primary database

Value chain position and main REC membership

Finally, it is possible to analyse value chain relative position for the REC dimension as well, where each country is assigned one main REC membership. This data is presented in Table 6 and Figure 4.

Figure 4: Position in value chain: REC dimensions (graphical)



Source: Author's construction based on tralac gendered value chains primary database

Table 1: Position in value chain: REC dimensions (tabular)

REC	Intermediate goods - non-Africa	Intermediate goods - Africa	Finished goods - non-Africa	Finished goods - Africa	Grand Total	Total - Intermediate	Total Africa
SADC	8%	24%	3%	64%	100%	32%	88%
ECOWAS	22%	44%	11%	22%	100%	67%	67%
EAC	20%	20%	12%	48%	100%	40%	68%
COMESA	67%	17%	17%	0%	100%	83%	17%
ECCAS	0%	25%	25%	50%	100%	25%	75%
All	16%	26%	8%	50%	100%		

Source: Author's calculations based on tralac gendered value chains primary database

The results by REC are very interesting. SADC is by far the most Africa-integrated, reflecting the already-noted dominance by South African and Mauritius in this sector's African value chain. By contrast, COMESA's pattern is the opposite, with intermediate product sourced from non-African regions. No REC besides COMESA and ECOWAS are much involved in the beneficiation of intermediate product –

and hence regarded as in the ‘middle’ of the value chain. However, it should always be borne in mind that this data reflects a sample of MSME data and does not necessarily reflect the case when larger businesses and the aggregate are considered.

Conclusions and recommendations

This paper explored the nature of the CTL sector in Africa specifically from the perspective of medium, small and micro enterprises (MSMEs), utilising a new set of primary field survey-collected data and with a focus on gender and value chains. Three main topic areas were covered, the dimensions of the survey respondents, aspects of trade direction and aspects of relative position in the value chain.

The textiles and apparel value chain in Africa offers substantial opportunities for economic growth, employment, and industrialisation. Leveraging these opportunities requires addressing challenges related to raw material inputs (for example cotton), manufacturing capacity, labour skills, and market access. With the right policies and investments, the sector can be a significant contributor to Africa’s economic transformation.

The analysis of gendered MSME survey data permitted a range of insights to be drawn. A key comparison was made between the survey data and the UNCTAD-Eora value chain database, highlighting differences in trade direction and value chain positions. The CTL sector shows a more globalised trade pattern compared to the agribusiness sector, with significant trade relationships beyond Africa. The analysis reveals that MSMEs are more involved in intra-African trade compared with larger businesses, highlighting the importance of MSMEs in trade facilitation and integration strategies.

We also examined the relative positions of entities in the value chain, whether they are producers of raw materials, intermediate goods, or finished products. This analysis provides insights into trade and industrial policy. The CTL sector shows a reliance on intra-African trade for finished goods and less dependence on non-African imports for finished goods compared with other sectors.

The analysis by gender shows that female ownership categories in the CTL sector are significantly dependent on imported finished goods from Africa, with some use of non-African intermediate products. When compared by enterprise size, larger enterprises dominate the importation of intermediate products, possibly due to the capital requirements for manufacturing textiles into apparel.

It was also possible to interrogate the trade relationships and value chain positions by main REC membership. It was observed that SADC is the most integrated in Africa, especially in the CTL sector's African value chain, while COMESA relies more on non-African sources for intermediate products. However note that the data is a reflection of MSMEs and may not represent larger businesses or the aggregate.

The findings of this paper suggest that support for CTL MSMEs in general and female-owned MSMEs in particular, is pro African integration and African value-chain development. This support would involve prioritising MSMEs in industrial policy strategy and also addressing the requirements of female-owned businesses, which tend to be found on the smaller end of the scale. Trade facilitation efforts, which are already a part of the action plans of many African trade promotion agencies, should also prioritise the MSME and female-owned MSME sectors.

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Appendix

Table 7: Trade relationship weighted data plus REC assignment: CTL sector

Source	Destination	SourceREC	DestinationREC	Weight
Botswana	China	SADC	ROW	5
Botswana	Congo, Dem. Rep.	SADC	SADC	5
Botswana	Tanzania	SADC	EAC	7
Botswana	Turkey	SADC	ROW	4
Botswana	United Kingdom	SADC	ROW	3
Cameroon	China	ECCAS	ROW	5
Cameroon	Senegal	ECCAS	ECOWAS	4
Cameroon	South Africa	ECCAS	SADC	4
Cameroon	Tanzania	ECCAS	EAC	3
Congo, Dem. Rep.	Morocco	SADC	CENSAD	2
Congo, Dem. Rep.	South Africa	SADC	SADC	1
Eswatini	Congo, Dem. Rep.	SADC	SADC	3
Eswatini	Rwanda	SADC	EAC	4
Eswatini	Tanzania	SADC	EAC	4
Ethiopia	Netherlands	COMESA	ROW	5
Ethiopia	Turkey	COMESA	ROW	4
Ethiopia	United States	COMESA	ROW	9
Ghana	Nigeria	ECOWAS	ECOWAS	4
Ghana	Togo	ECOWAS	ECOWAS	3
Kenya	Bulgaria	EAC	ROW	5
Kenya	China	EAC	ROW	19
Kenya	Ghana	EAC	ECOWAS	4
Kenya	India	EAC	ROW	3
Kenya	Lesotho	EAC	SADC	5

Kenya	Nigeria	EAC	ECOWAS	3
Kenya	Rwanda	EAC	EAC	4
Kenya	South Africa	EAC	SADC	4
Kenya	United States	EAC	ROW	9
Lesotho	Ghana	SADC	ECOWAS	5
Lesotho	Kenya	SADC	EAC	4
Lesotho	Malawi	SADC	SADC	4
Lesotho	Uganda	SADC	EAC	4
Malawi	Congo, Rep.	SADC	COMESA	5
Malawi	Kenya	SADC	EAC	5
Mauritius	China	SADC	ROW	9
Mauritius	India	SADC	ROW	5
Mauritius	Senegal	SADC	ECOWAS	4
Mauritius	South Africa	SADC	SADC	4
Mauritius	United Kingdom	SADC	ROW	5
Namibia	Ghana	SADC	ECOWAS	5
Namibia	Kenya	SADC	EAC	4
Namibia	ROW	SADC	ROW	4
Namibia	United States	SADC	ROW	3
Nigeria	Cameroon	ECOWAS	ECCAS	10
Nigeria	Côte d'Ivoire	ECOWAS	ECOWAS	5
Nigeria	India	ECOWAS	ROW	4
Nigeria	Uganda	ECOWAS	EAC	3
Senegal	Cameroon	ECOWAS	ECCAS	5
Senegal	China	ECOWAS	ROW	15
Senegal	Gambia	ECOWAS	ECOWAS	5
Senegal	Guinea-Bissau	ECOWAS	ECOWAS	4
Senegal	Kenya	ECOWAS	EAC	3

Senegal	Mauritania	ECOWAS	AMU	3
Senegal	South Africa	ECOWAS	SADC	9
South Africa	Tanzania	SADC	EAC	3
Zambia	Namibia	SADC	SADC	8
Zimbabwe	Botswana	SADC	SADC	10
Zimbabwe	Eswatini	SADC	SADC	5
Zimbabwe	Tanzania	SADC	EAC	16

Source: Author's calculations based on tralac gendered value chains primary database