

Empowering Women in Trade: Charting Female Leadership and Entrepreneurship in Africa's Service Sector

Gavin van der Nest



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ABSTRACT

This Trade Report delves into the evolving dynamics of trade, with a spotlight on the burgeoning service sector in Sub-Saharan Africa and the critical role women play within this domain. It underscores the service sector's emergence as a pivotal engine of economic resilience and growth post-pandemic, presenting an opportunity for Africa to bolster intra-continental trade and global market linkages. Highlighting the challenges and barriers women face, this report argues for comprehensive policy reforms aimed at fostering an enabling environment for digital trade, thus catalysing growth and integration into the global economy. The narrative positions women at the forefront of this transformative journey, emphasising the untapped potential in harnessing their contributions for sectoral growth and economic empowerment.

Further, this report provides an analytical lens on gender dynamics within the labour market, especially post-pandemic, noting a robust recovery in some sectors but also pointing out persisting gender gaps in labour force participation, unemployment, and access to decent work. It touches on the adverse impacts of wage disparities and working poverty levels on women, stressing the necessity for targeted interventions to bolster women's workforce entry and retention. Through a comprehensive examination of labour force trends and economic participation, the report sheds light on both the strides made towards gender parity and the significant hurdles that remain, underscoring the imperative for gender inclusivity and economic resilience in shaping the future of trade in Sub-Saharan Africa.

Keywords: Women in trade, Services trade, Labour, Digital trade

About the Author

GAVIN VAN DER NEST holds an MSc Economics (University of Edinburgh). His interests lie in time series econometrics focusing on forecasting as well as in trade and in environmental and natural resource economics. He has worked in economic research and most recently serves as an econometrician specialising in developing macroeconometric models for a variety of African countries.

Empowering Women in Trade: Charting Female Leadership and Entrepreneurship in Africa's Service Sector

By Gavin van der Nest

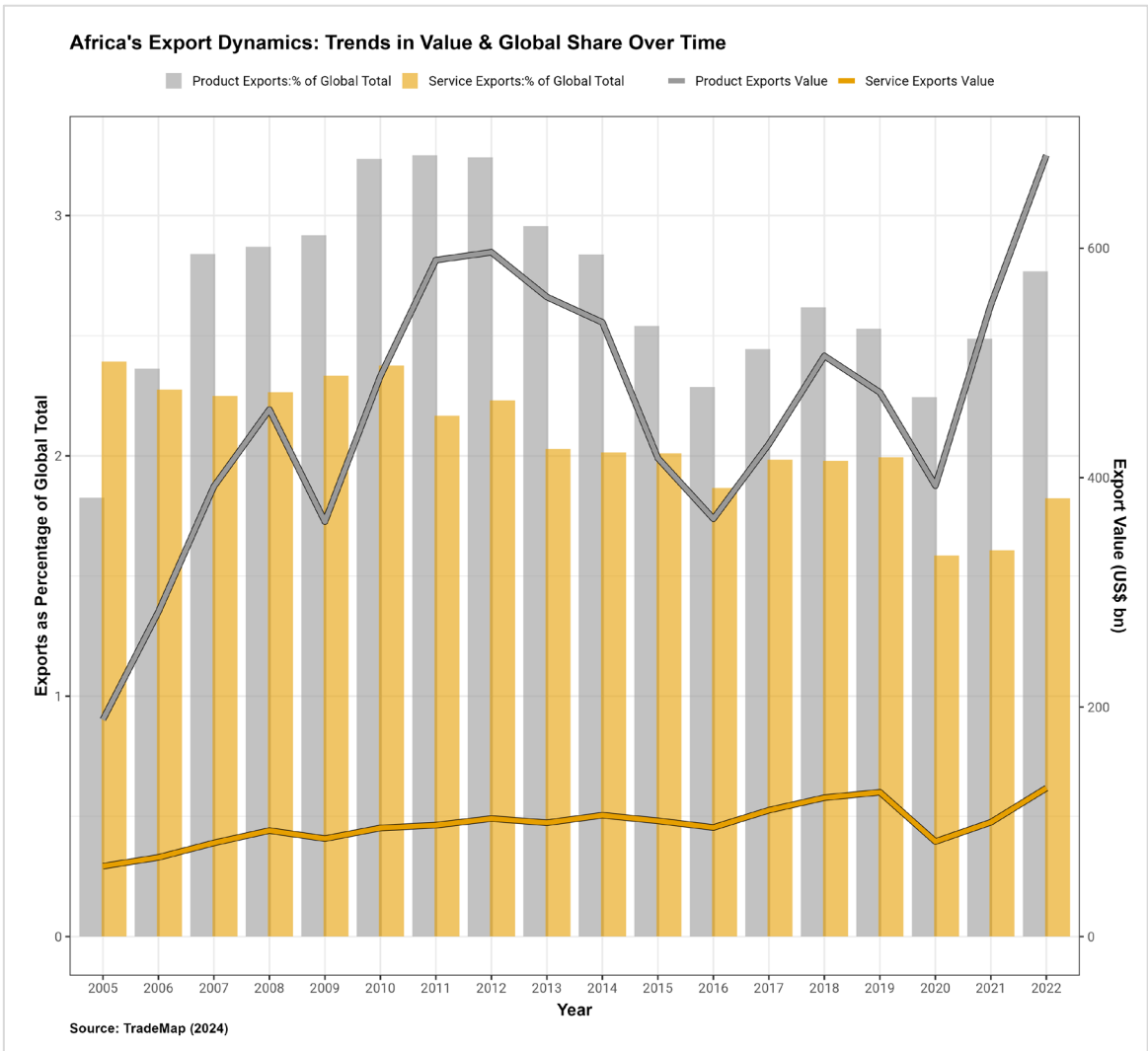
Introduction

As we navigate the post-pandemic landscape, the contours of global trade are undergoing significant transformations, with services trade emerging as a critical driver of economic resilience and growth. The dynamism within Africa's service sector, juxtaposed against the backdrop of global inter-connectivity, underscores a pivotal shift towards knowledge and digital-based economies. This evolution presents a unique opportunity for Africa to leverage its burgeoning service sector, not only enhancing intra-continental trade but also forging stronger trade links with the global market.

Trade remains a cornerstone of economic development and growth, with services trade playing an increasingly vital role within Africa and in its interactions with the global market. The supply of services, encompassing cross-border transactions, consumption abroad, commercial presence, and the presence of natural persons, represents an important segment of international trade. Recent data from Trade Map (ITC, 2024) indicate that, although service exports continue to trail behind product exports in Africa (Figure 1), the landscape is evolving. The earlier trend of rising service exports in Africa, which faced setbacks due to the COVID-19 pandemic – with a notable 34% decline from 2019 to 2020 – has shown signs of resilient recovery and adaptation, with service export value in 2022 matching pre-pandemic levels. However, services exports have not recovered as quickly as product export value which saw increases of 55% and 73% in 2022 respectively from their lows in 2020. Moreover, when considering Africa's product exports and service exports as a percentage of the global total, products comprise

slightly less than 3% whilst services comprise less than 2% (which has not recovered to its pre-pandemic share).

Figure 1: Africa’s Export Performance: Value in US\$ Billions and Share of Global Exports



Technological advancements continue to simplify the trading of services by obviating the need for geographical proximity between producers and consumers. However, bureaucratic hurdles remain a significant barrier, underscoring the need for streamlined processes to unleash the full potential of service trade. Realising the full potential of Africa’s service trade remains tethered by regulatory and infrastructural challenges, which underscore the urgency for comprehensive policy reforms. These reforms should aim at dismantling bureaucratic barriers and fostering an enabling environment for digital trade, thereby catalysing the sector’s growth and integration into the global economy. Central to the discourse on service trade is the critical role of women, who represent an untapped reservoir of potential in Africa’s labour market. Despite historical underrepresentation in trade, particularly within

high-value service sectors, women stand at the cusp of transformative economic empowerment. The digital economy, with its inherent flexibility and accessibility, offers a platform for women to circumvent traditional barriers, facilitating their active participation in service trade. This shift not only promises to elevate the role of women in Africa's economic narrative but also to enhance the overall competitiveness and inclusivity of the continent's service sector.

Excluding women from the services economy alienates up to 50% of the potential workforce, adversely affecting labour productivity and hindering economic transformation. Several barriers hinder women's participation, including limited access to education, prevailing cultural norms, and a lack of diversity in economic activities. However, as social and economic engagements broaden, we observe a trend toward diminishing gender disparities in human capital, thereby enhancing women's productivity in the labour force and increasing their sectoral representation across the economy (Thaddeus et al., 2022).

This Trade Report will consider the evolving landscape of service trade, with a keen focus on Africa's strategic positioning and the instrumental role of women in shaping the future of trade. Through a synthesis of current trends, challenges, and opportunities, this Trade Report will provide an overview of the sector's trajectory, underpinned by the imperative for gender inclusivity and economic resilience.

Gender Dynamics: Navigating the Post-Pandemic Labour Market

The *World Employment and Social Outlook: Trends 2024* (Tobin et al., 2024) showcases several key findings, giving a comprehensive assessment of global labour market trends and their implications for economic and social policies. Despite economic slowdowns, global unemployment rates showed resilience in 2023, with a decrease to 5.1%, marking the lowest level since the onset of the pandemic. This trend indicates a robust recovery in some sectors, but it masks underlying disparities, particularly among women, youth, and migrants who continue to face challenges in labour market participation and quality employment opportunities.

Moreover, this Trade Report highlights persistent gender gaps in labour force participation rates, unemployment, and access to decent work. While female labour force participation rates have recovered faster than expected from pandemic lows, significant gender gaps persist, particularly in emerging and developing countries. The gender participation gap remains a critical issue, underscoring the need for targeted interventions to support women's entry and retention in the workforce.

Despite positive employment growth, real wages declined in the majority of G20 countries in 2023, as wage increases failed to keep pace with inflation. This trend has adverse effects on workers' living standards, particularly affecting women who are often concentrated in lower-wage sectors. Additionally, the report notes an increase in working poverty levels, with an estimated 1 million more workers living in extreme poverty globally in 2023.

This report further discusses labour and skills shortages across several countries and sectors, exacerbated by poor working conditions and low productivity growth. Such imbalances highlight the need for improving job quality and working conditions, areas where women often face significant disadvantages.

The accelerating pace of technological progress, such as the advent of generative artificial intelligence, presents both opportunities and challenges for the labour market. While technology can facilitate new forms of work and productivity gains, it also raises concerns about skill mismatches, job displacement, and the widening of inequalities, including gender disparities in access to quality employment and digital skills.

Addressing these challenges requires coordinated policy actions at both national and international levels. Priorities include boosting economic growth, improving job quality, enhancing social protection, and fostering gender equality in the labour market. Investment in education and skills development, particularly in digital literacy and technical skills, is critical to enable women to benefit from technological advancements and to ensure their participation in high-quality, future-oriented employment.

Women in the Workforce: Trends in Labour Force and Economic Participation

In today's evolving global landscape, gender disparities persist across labour markets, manifesting differently across regions and sectors. Recent insights reveal nuanced patterns of female participation, with certain sectors, including the informal economy in Africa, continuing to exhibit significantly higher rates of female engagement (International Labour Organisation, 2024). This variance in participation rates underscores the complex interplay between gender, economic opportunities, and regional dynamics, highlighting both progress and persistent challenges in achieving gender parity in the workforce.

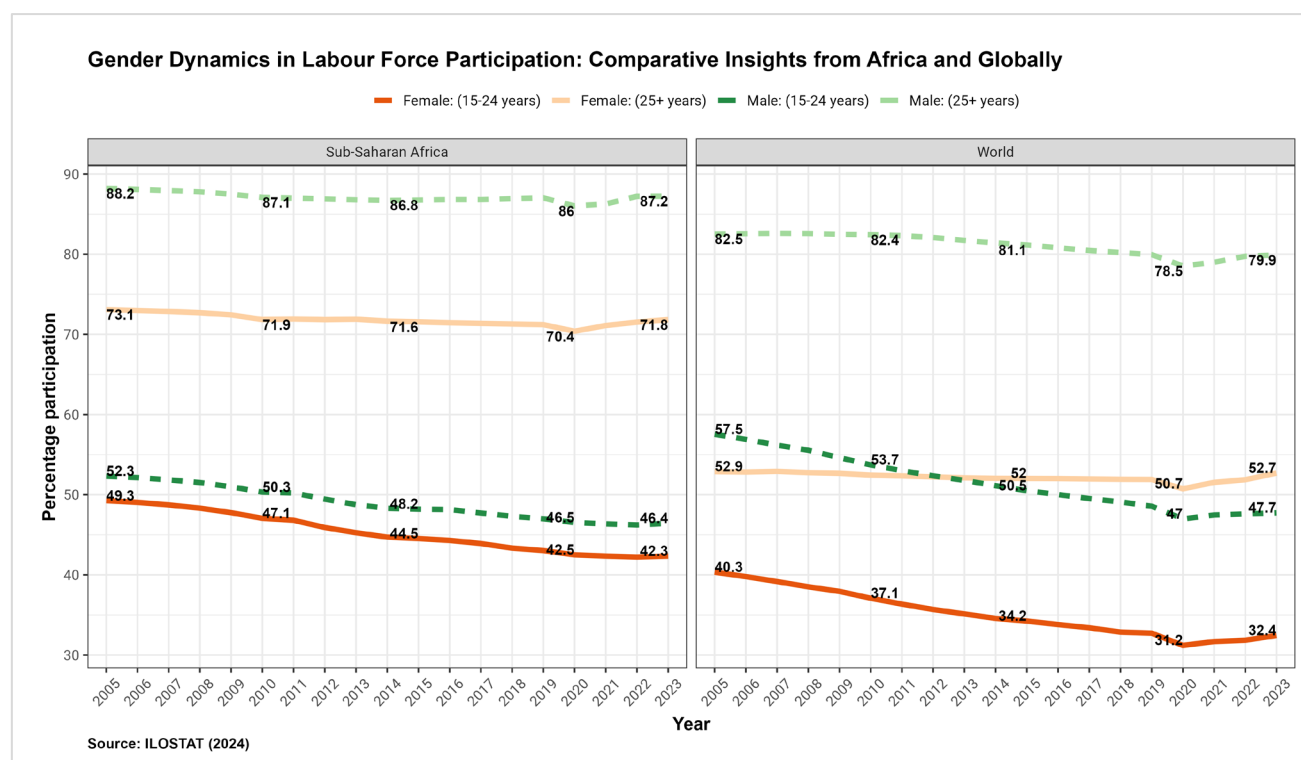
The *World Employment and Social Outlook: Trends 2024* (Tobin et al., 2024) shows that in 2023, women's labour force participation¹ was on or slightly above its long-term trend across all country income groups. However, female participation was notably below the pre-pandemic trend in regions like Africa – especially North Africa – and Latin America and the Caribbean. In contrast, women's participation was higher than predicted by the long-term linear trend in the Arab States and most parts of Asia. However, despite these partial improvements, the gap between male and female participation rates remains significant globally. Gender gaps in labour force participation rates persist, with female participation rates expected to decline more than male participation rates in the coming years, thereby modestly increasing the gender gap. In 2025, global male participation rates are expected to exceed those of women by 25 percentage points, with the gap being even more pronounced in lower-middle-income countries.

Figure 2 shows the labour force participation rate for males and females in Sub-Saharan Africa and the world. What is striking is the general decline in the participation rate for both males and females (15-24 years) in Sub-Saharan Africa and the world (although there has been some recovery post-COVID). This decline is primarily driven by increased educational enrolment delaying entry into the labour market and structural economic changes requiring higher skill levels (Tobin et al., 2024). The COVID-19 pandemic further exacerbated this trend by disproportionately affecting sectors with high youth employment, alongside issues of skill mismatches and automation reducing entry-level job opportunities.

Further, we see that the labour force participation rate in males is considerably higher than that of females. The participation rate of adult workers (+25 years) for both males and females in Sub-Saharan Africa is also higher than the world average, with those of females being significantly higher than the world average. This trend is largely attributed to women's integral role in subsistence farming, a key contributor to family livelihoods and the region's economy. As observed in a previous trade report (van der Nest, 2022), there was a marked decline in the labour force participation rate during COVID-19, which has subsequently seen recovery to pre-pandemic levels.

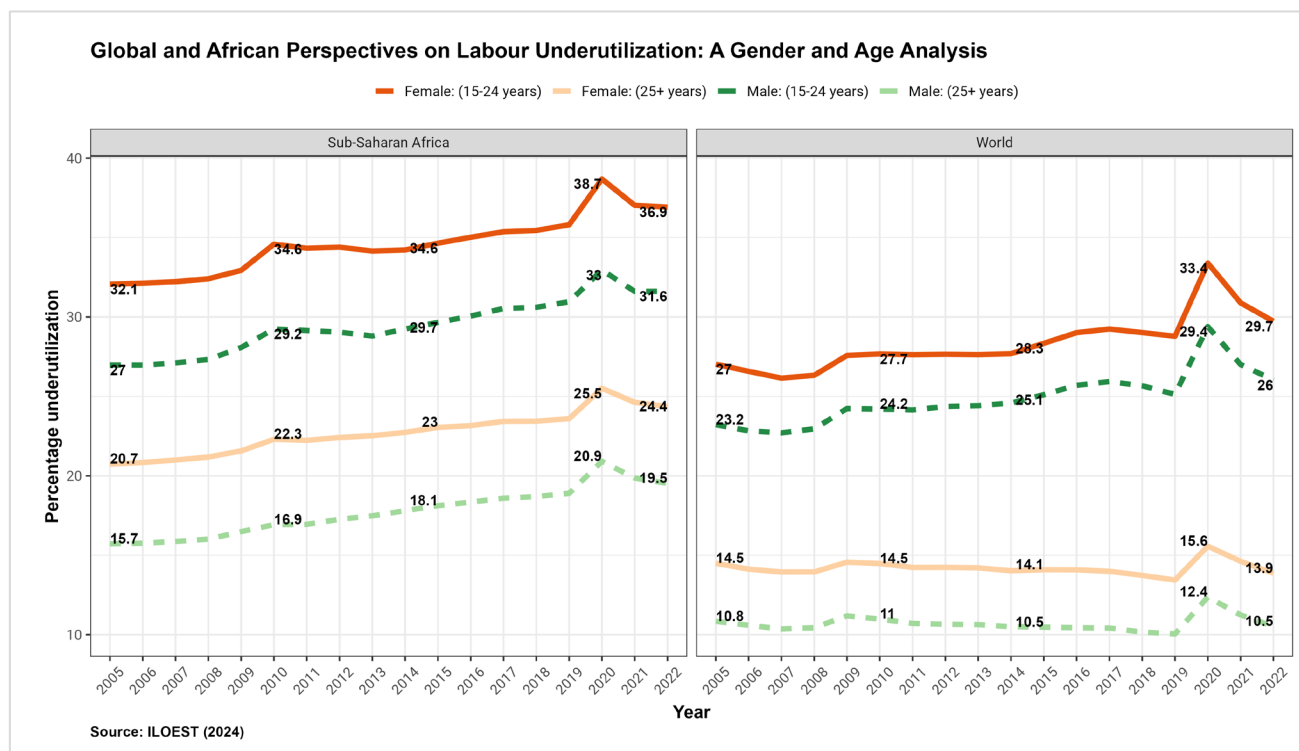
¹ Defined as the labour force as a percent of the working-age population.

Figure 2: Analysing Gender and Age: A Comparative Study of Labour Force Participation in Africa and Globally



The latest statistics showcasing the composite rate of labour underutilisation for Sub-Saharan Africa and the world are shown in Figure 3. Labour underutilisation refers to the unmet potential within the workforce, encompassing the unemployed, those working fewer hours than desired (underemployed), and individuals willing to work but not actively seeking employment. Comparing Sub-Saharan Africa with the world, we see the trend of notably higher labour underutilisation in Sub-Saharan Africa maintained. This is a consequence of the region's extensive informal sector, limited industrial development, educational and skill gaps, and structural economic challenges, all of which stifle job creation and contribute to widespread underemployment. Moreover, in both panels of the figure, we see that labour underutilisation in females has remained higher than in males, with the largest gap of approximately 5 percentage points observed between males and females (+25 years) in Sub-Saharan Africa. A clear trend break in labour underutilisation throughout the world was observed during COVID-19, but a recovery to the long-term trend post-pandemic has occurred.

Figure 3: Labour Underutilisation: Gender and Age Dimensions in Africa Versus Globally



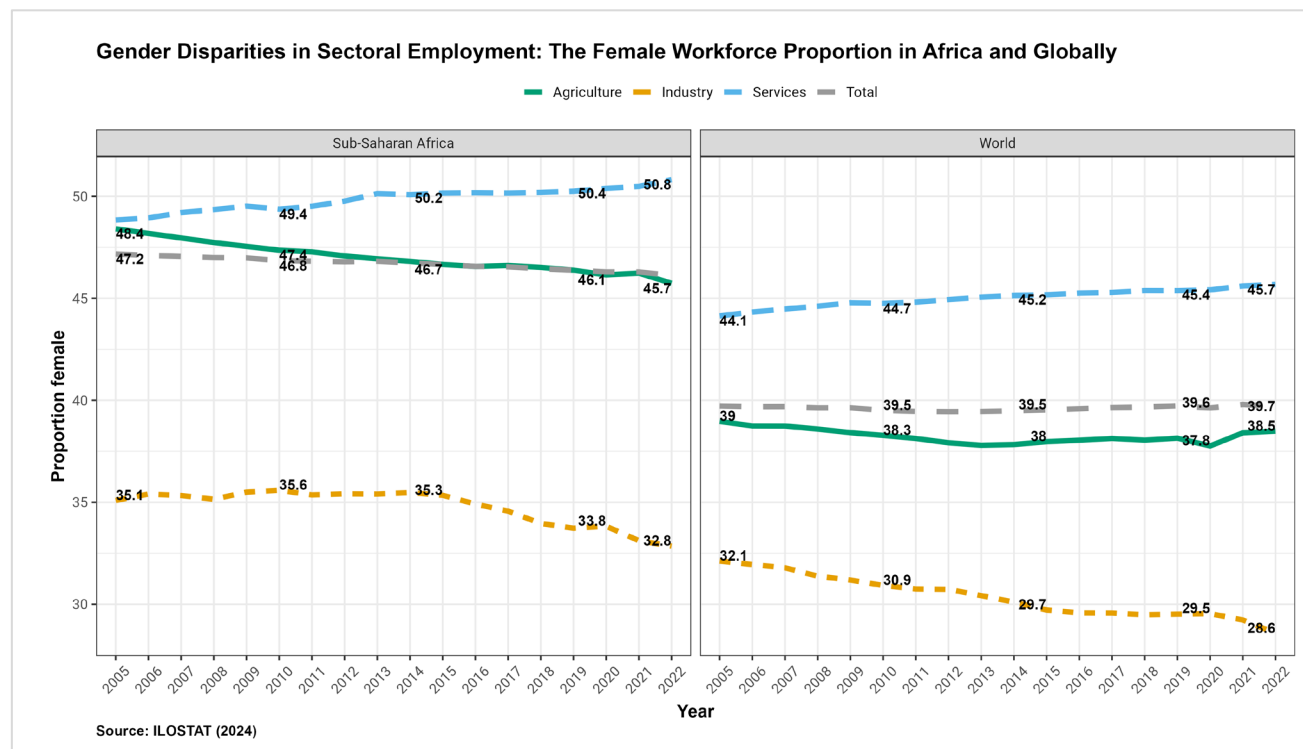
Gender Dynamics in Employment Sectors: Analysing Female Workforce Participation Globally and in Sub-Saharan Africa

In this section, we delve into the nuances of female engagement across diverse economic sectors, highlighting the evolving landscape of women’s employment. It seeks to unravel the complexities of how women integrate and contribute to various fields, with a special focus on their significant presence in the services sector. By examining the structure of female employment, one can shed light on the challenges and advancements faced by women, offering a deeper understanding of their vital role in both traditional and emerging economic domains.

Figure 4 delineates the share of total employed who are women across different sectors, offering insights into gender parity within the labour market of Africa and on a global scale. If we are to consider the world, females, on average, have the best representation in services. This has seen a general upward trend over time and approximately 45.7% (2022) of those employed in the services sector globally are women. Industry sees the lowest representation of women at only 28.6% female. On average, 39.7% of those employed globally were female in 2022. Turning to Sub-Saharan Africa, we observe at least gender parity in services (50.8% in 2022), which is 5 percentage points higher than the global average. In Sub-Saharan Africa, we also see that on average proportionately more employed are women than

globally (45.7% vs 39.7%). Compared to the world, females in Sub-Saharan Africa see notably higher representation in both agriculture and industry (on average 10 and 4 percentage points higher respectively).

Figure 4: Gender Disparities in Sectoral Employment



The distribution of employment by gender across various sectors is highlighted in Figure 5. Here we can see the relative distribution of males and females employed within specific sectors. On the global scale, approximately 57.3% of employed females were employed in the services sector in 2022 and this has shown steady growth over the period considered. The percentage of females employed in industry has remained relatively steady over the period, with a 17.2% share in 2022. Agriculture makes up the remainder, at 25.4% in 2022, which has seen a steady decline over the period considered. Studying Sub-Saharan Africa, similar trends are observed. Although agriculture sees the bulk of female employment (52.4% in 2022), this has also been steadily decreasing over time. Industry has remained relatively flat at 8.1% in 2022. Services, on the other hand, has seen steady growth in female employment, with approximately 40.3% of females employed in 2022.

The shift towards greater female employment in the service sector, away from agriculture, in Sub-Saharan Africa signals economic transformation. This trend, aligned with increased GDP and economic diversification, brings higher wages and better working conditions for women, enhancing their quality

of life and economic empowerment. It reflects the beneficial impact of improved education and societal changes on women’s workforce participation, contributing to closing the gender labour gap and stimulating economic growth (Thaddeus et al., 2022).

Efforts to narrow gender gaps and empower women, including interventions in education, health, and employment, have shown significant socio-economic benefits. For instance, providing access to resources, education, and financial support for women not only improves productivity and job stability but also promotes inclusive economic growth and poverty reduction. Such measures are crucial in sectors like agriculture, where women face considerable challenges, reinforcing the need for continued investment in policies and programs aimed at gender equality and women’s empowerment (World Bank, 2023).

Figure 5: Dynamics in the Structure of Employment

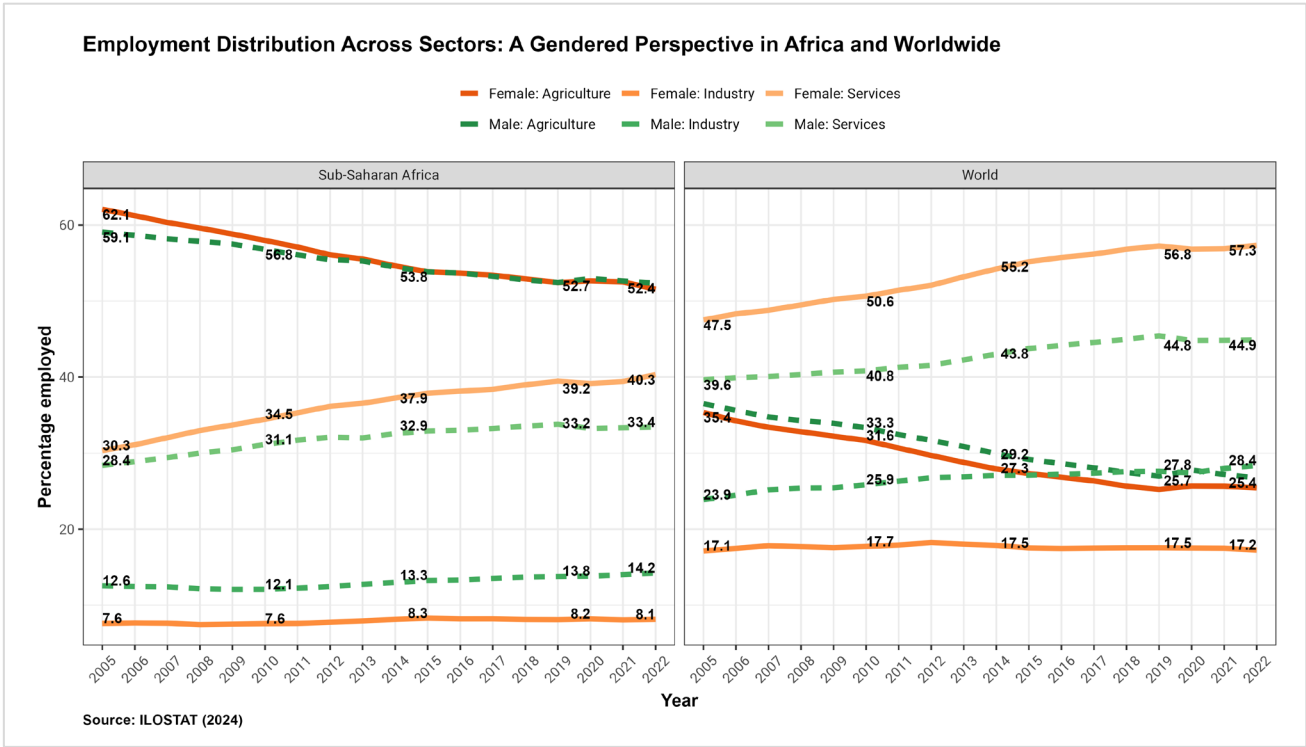
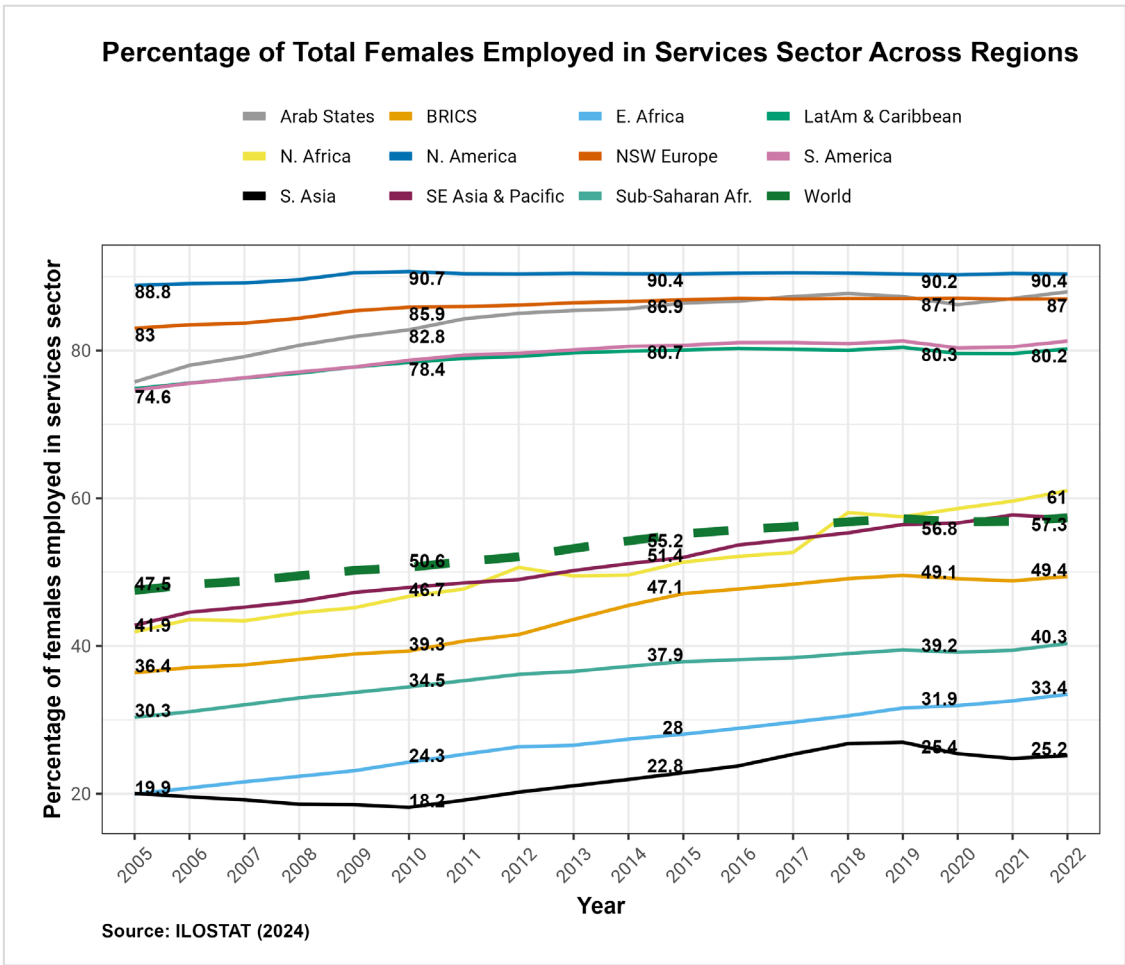


Figure 6 highlights the percentage of females employed in the services sector across major world regions. Regions showing higher percentage of females employed in the services sector compared to the world average corresponds to North America; North, South and Western Europe; Arab States; South America and Latin America and the Caribbean. Sub-Saharan Africa (40.3%), East Africa (33.4%) and BRICs (49.4%) see lower than the world average (57.3%) representation of females in services in 2022.

Although this is markedly below the world average, there has been a marked upward trend in female representation in services across these regions.

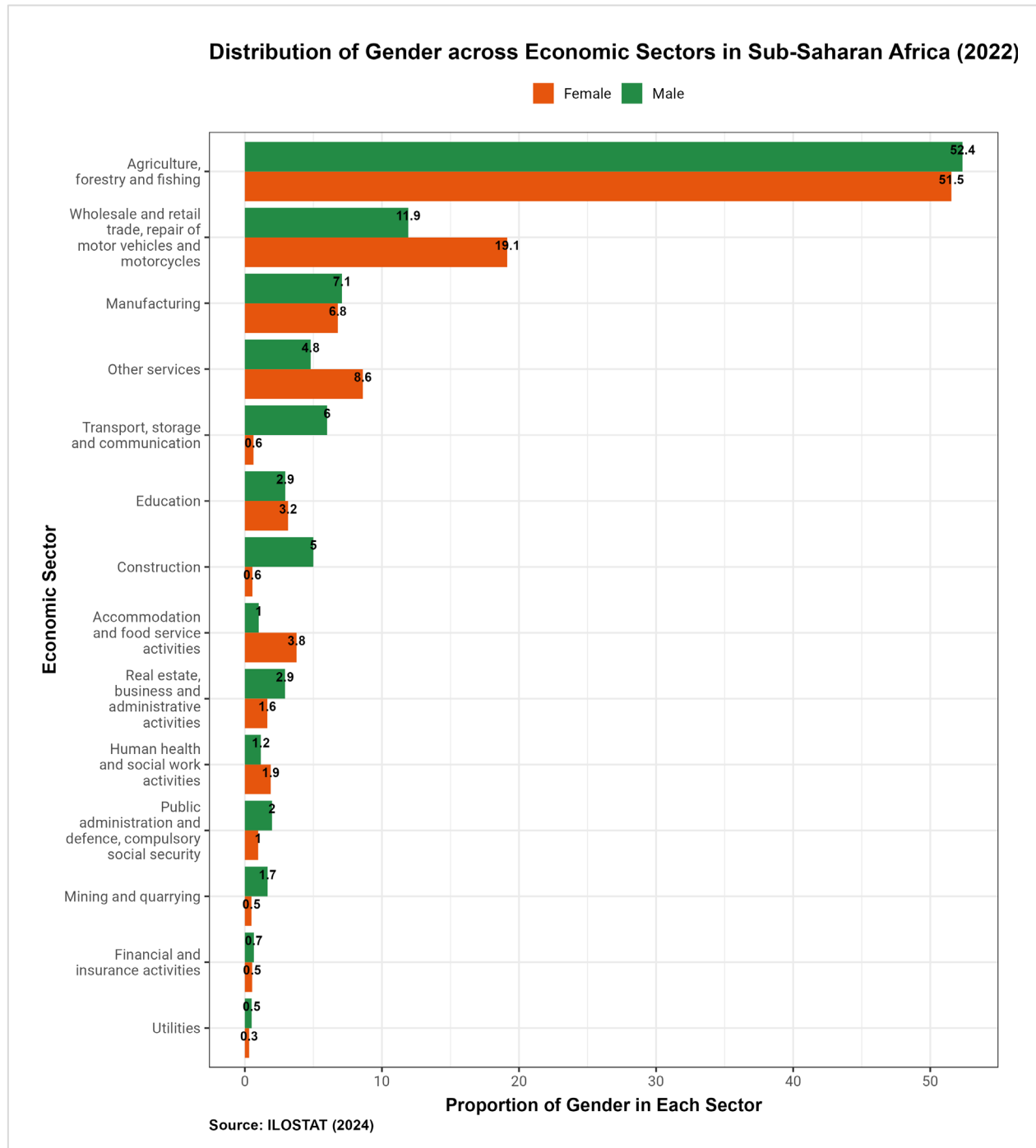
Figure 6: Services Sector Employment for Females Across Regions



Gender Dynamics in Economic Activities in Sub-Saharan Africa

Figure 7 shows the distribution of economic activities within various economic sectors disaggregated by gender for 2022 in Sub-Saharan Africa. Agriculture, forestry, and fishing remains the largest employment activity for both sexes by a significant margin (over 50%). Other significant economic activities of employment for women include wholesale and retail trade (19.1%), other services (8.6%), manufacturing (6.8%), accommodation and food services (3.8%), and education (3.2%). Important economic activities for male employment include wholesale and retail trade (11.9%), manufacturing (7.1%), transport, storage, and communication (6%) and construction (5%).

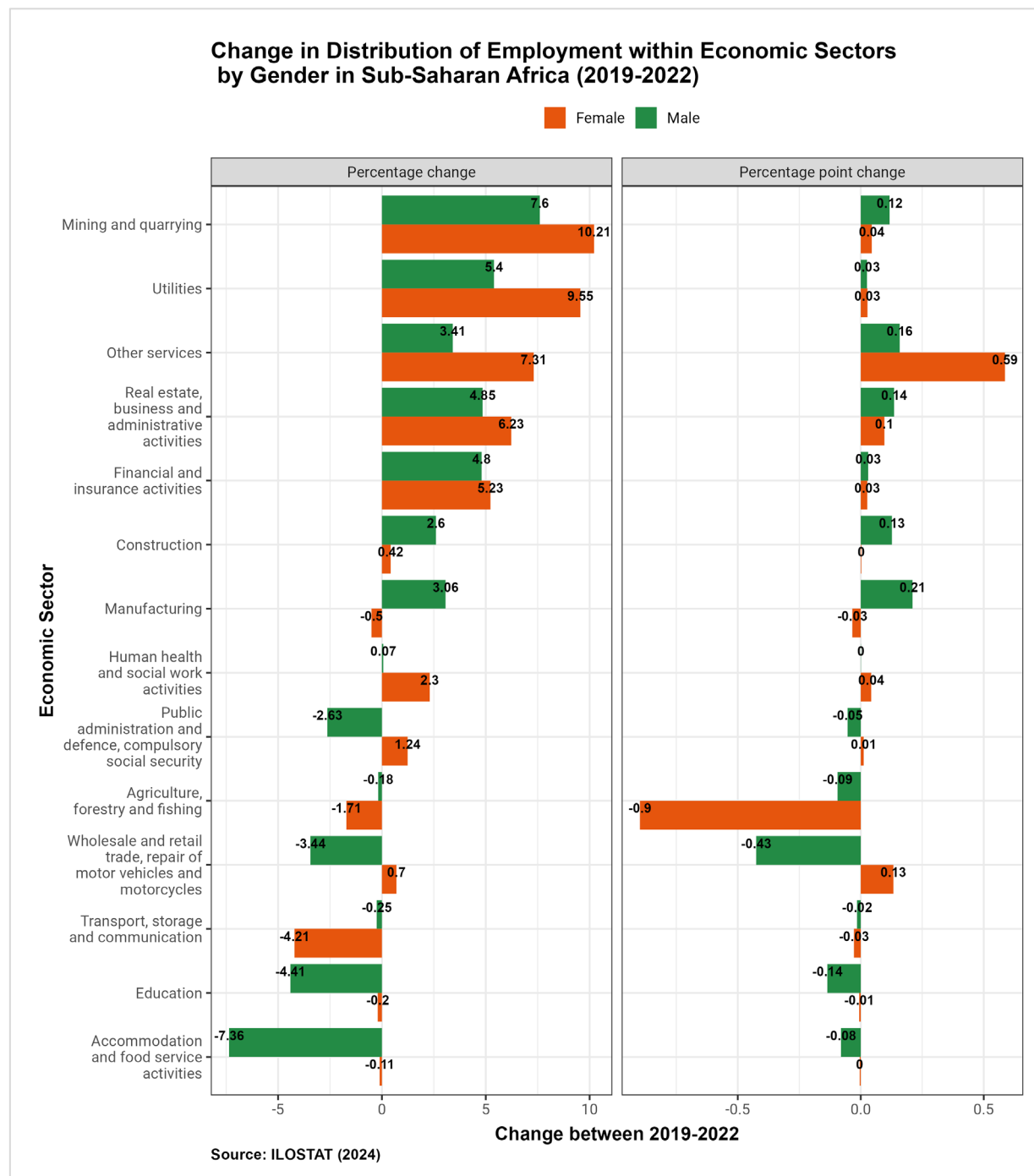
Figure 7: The structure of employment in Sub-Saharan Africa for 2022



The change in the employment structure by economic activity and gender is showcased in Figure 8. The left panel shows the percentage change between 2019-2022 whilst the right panel shows the percentage point difference. Activities seeing the largest relative growth for females include mining and quarrying (10.21%), utilities (9.55%), and other services (7.31%). Transport, storage and services saw a 4.21% decrease as well as a 1.71% decrease in agriculture, forestry, and fishing for females. In absolute

terms for females, other services saw the highest growth (0.59 percentage points), whilst agriculture, forestry and fishing saw a 0.9 percentage point decrease.

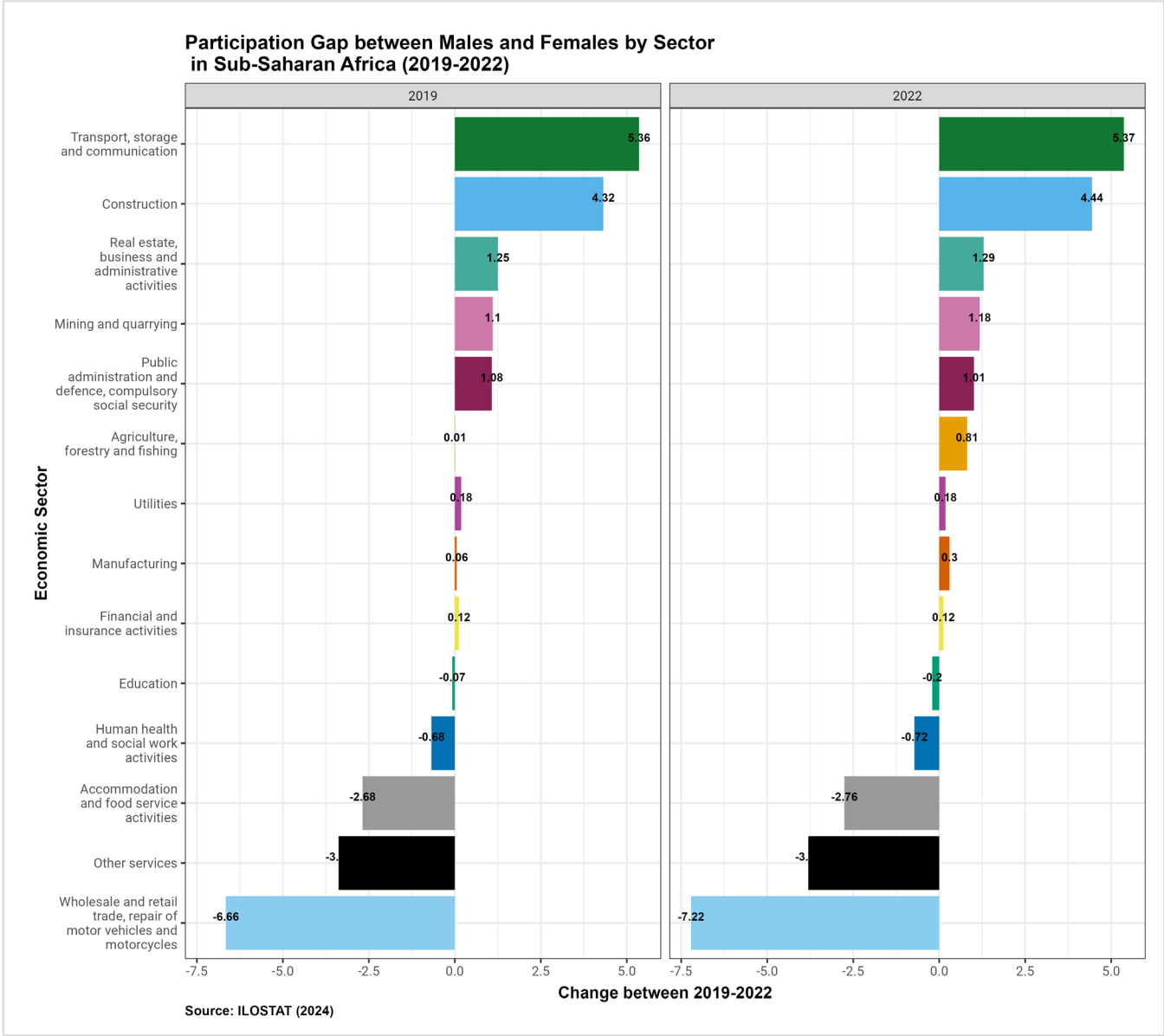
Figure 8: The evolution in economic sector employment by economic activity in Sub-Saharan Africa between 2019-2022



The participation gap, which is the percentage point difference between the proportion of males and females employed in various economic activities is illustrated in Figure 9. Between 2019 and 2022, the participation gap across the various activities has remained relatively constant with substantially more

males than females employed in transport, storage, communication, and construction. Significantly more females are employed in the wholesale and retail trade sector, along with other services and accommodation and food services.

Figure 9: Participation gap (male minus female) for 2019 and 2022



Gender Dynamics in Occupations across Sub-Saharan Africa

In Sub-Saharan Africa, while women’s representation in the workforce signals positive structural transformations, particularly with the growth in service sector employment, there is a nuanced aspect to this shift. The surge in service sector jobs has indeed been a hallmark of economic diversification and development, suggesting a move away from traditional agriculture-based economies. However, this

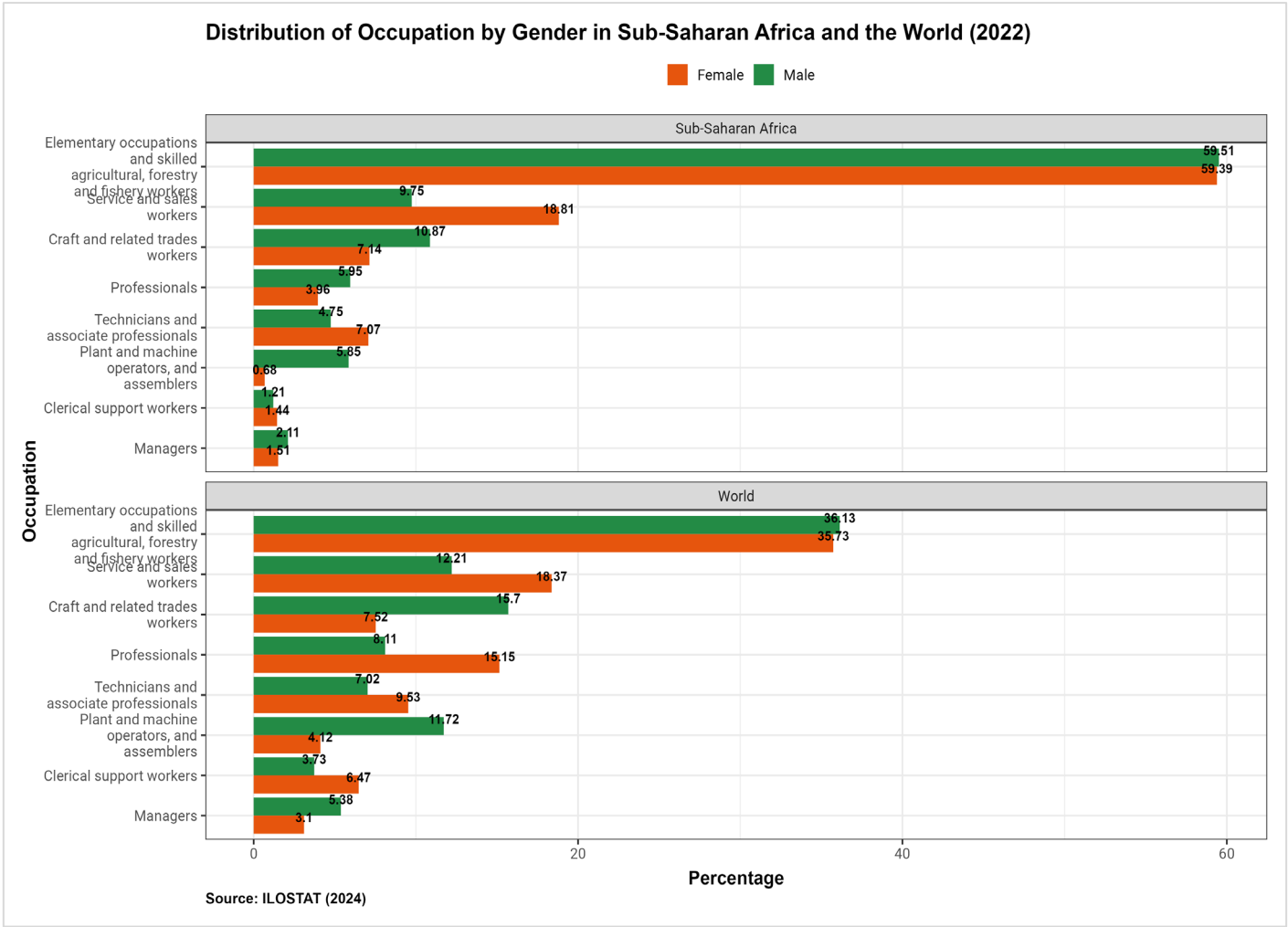
transformation is also characterised by the predominance of low-skilled, low-wage employment within the services sector, which predominantly employs women.

This dual narrative highlights a critical gap in the path to gender equality and economic empowerment. On one hand, the expansion of the service sector in Sub-Saharan Africa provides vital employment opportunities for women, potentially offering a pathway out of poverty and into the economic mainstream. On the other hand, the concentration of women in lower-skilled, less remunerative service jobs – rather than in higher-paid occupations such as professionals, technicians, associate professionals, and managerial roles – underscores a persistent underutilisation of female talent and an ongoing gender disparity in the labour market.

For instance, in Sub-Saharan Africa, both males and females see a substantially higher representation in elementary occupations and skilled agricultural, forestry and fishery workers compared to the world average (Figure 10). Moreover, the contrast between the percentages of women employed as professionals (3.96% in Sub-Saharan Africa versus 15.15% globally), technicians and associate professionals (7.07% versus 9.53%), and as managers (1.51% versus 3.1%) not only reflects the global gender gap in high-skilled employment but also emphasises the specific challenges faced by women in Sub-Saharan Africa. Finally, males in Sub-Saharan Africa see disproportionately higher representation (compared to females) in these occupations, except, surprisingly as technicians and associate professionals where proportionately more females find employment. These figures suggest that while the service sector's growth is indeed a marker of economic evolution, its potential to drive equitable, inclusive development is limited by the types of roles that women can access.

Addressing this issue requires a concerted effort to enhance women's skills and qualifications, ensuring they have equal opportunities to contribute to and benefit from higher-value-added activities within the service sector and beyond. Policies aimed at promoting women's education, training, and professional development, alongside initiatives to dismantle systemic barriers to higher employment, are essential. This would not only support the ongoing structural transformation of Sub-Saharan African economies but also ensure that this transformation is inclusive, providing a ladder for economic advancement for all women within the region.

Figure 10: Employment by occupation for males and females across Sub-Saharan Africa and the world (2022)



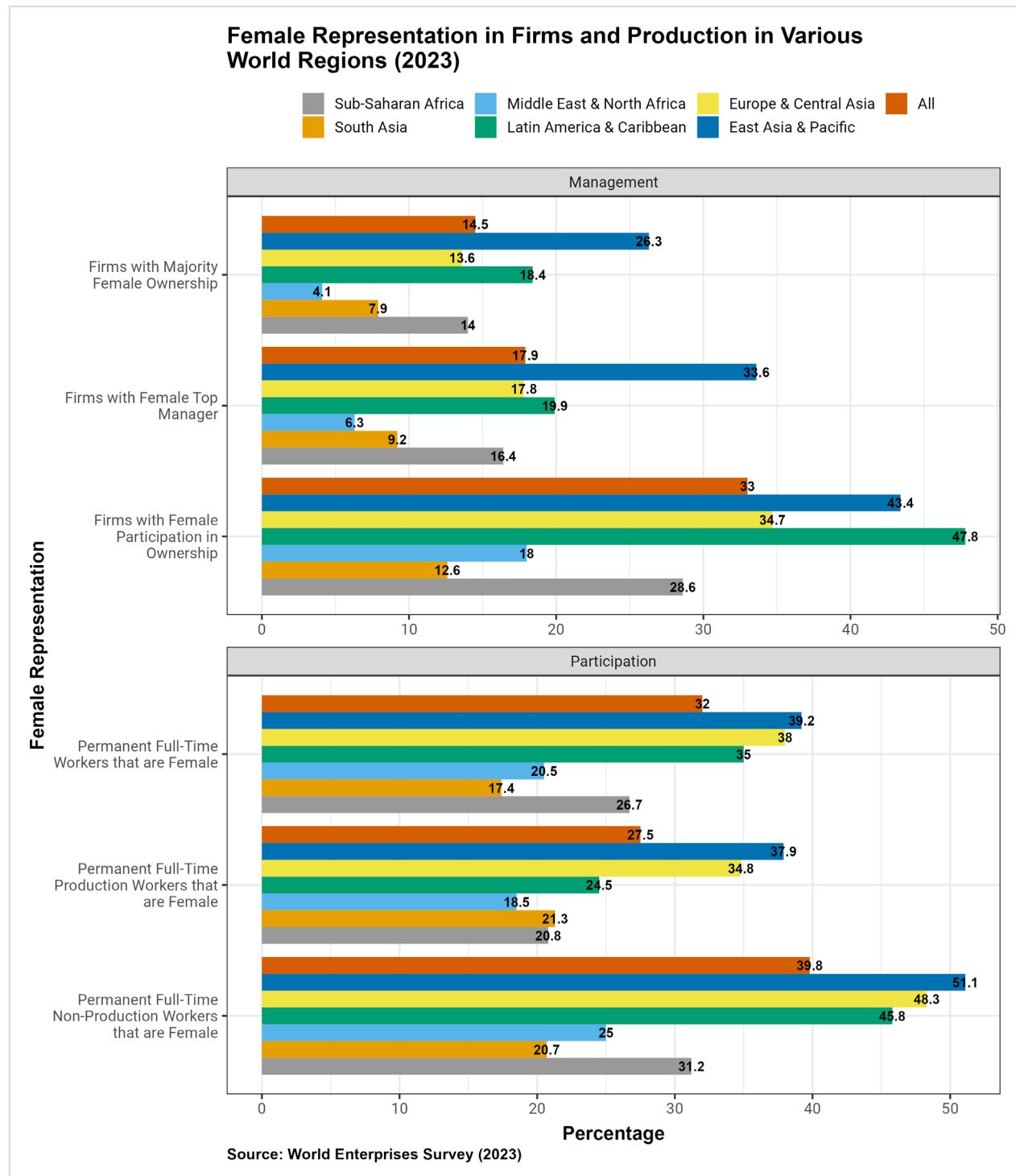
Gender Dynamics in Management and Ownership

In this section, we will explore the latest data from the World Bank Enterprises Survey (The World Bank, 2023). This survey is a comprehensive, nationally representative survey of firms, covering a wide range of business environment topics and firm characteristics. Conducted with top managers and owners, it uses a globally comparable questionnaire to gather data. This rich dataset provides insights into firms’ performance and the business climate of economies, with all information made publicly accessible for analysis.

Turning to Figure 11, we see the participation of females in management, ownership, and production across several world regions. Unfortunately, across all the indicators considered, female representation in Sub-Saharan Africa is below the world average. Only the Middle East and North Africa along with

South Asia do worse in general in female representation. Participation of females in ownership and management are important statistics showcasing vertical growth in gender representation, and this shows that there is much room for growth and improvement in Sub-Saharan Africa to take full advantage of its demographic dividend.

Figure 11: Participation of Females in Management and Production across World Regions (2023)



Gender as a Key Metric in the Sustainable Development Goals

Gender equality, central to the Sustainable Development Goals (SDGs), addresses systemic inequalities that hamper global development. In Sub-Saharan Africa, this emphasis on gender underscores critical areas needing attention: education, healthcare, economic participation, and decision-making. Women's empowerment is not just a matter of fairness; it is key to accelerating sustainable development across the region.

For women in the services trade in Sub-Saharan Africa, the SDGs represent a roadmap for overcoming specific challenges, such as access to finance, market entry, and skill acquisition. These challenges are significant in sectors where women have traditionally been underrepresented. By focusing on gender equality, the SDGs aim to unlock the potential of women entrepreneurs and workers, driving innovation and economic growth.

The implications for Sub-Saharan African women are profound. Enhanced support systems, policy reforms, and targeted programs can facilitate women's access to crucial resources, thereby promoting entrepreneurship and employment in the formal economy. This, in turn, contributes to reducing gender disparities in income and job security, fostering a more inclusive economic landscape.

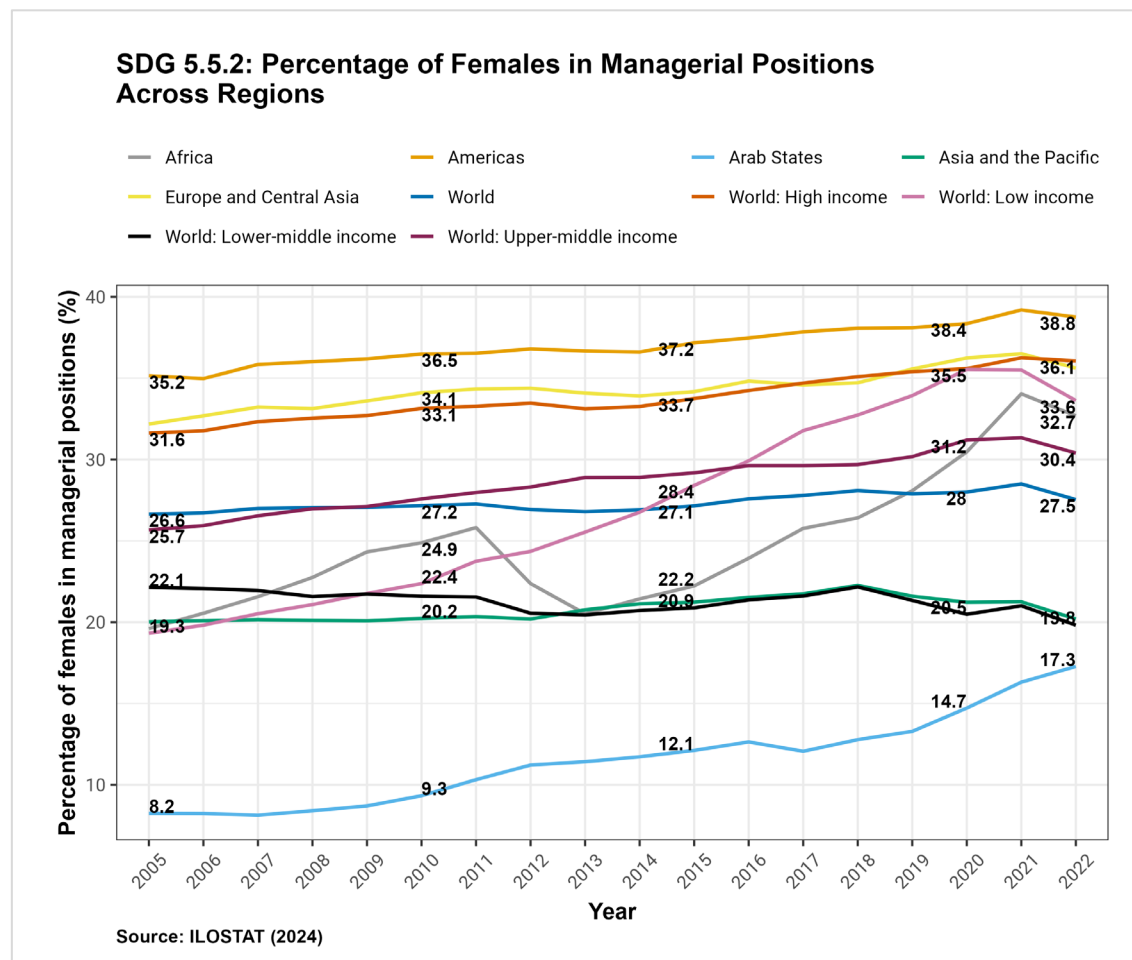
Ultimately, the integration of gender considerations into the SDGs offers a transformative approach for women in Sub-Saharan Africa, particularly those in the services trade. By prioritising gender equality, there is a clear path toward not only empowering women but also leveraging their talents and contributions for regional economic development and sustainability.

Sustainable Development Goal 5.5.2 focuses on ensuring women's full participation and equal opportunities for leadership in political, economic, and public life (United Nations, 2022). For women in services trade in Sub-Saharan Africa, this goal emphasises the need to break down barriers to their involvement in higher-level positions and sectors traditionally dominated by men. Its implications include creating policies and practices that promote gender equality in the workplace, encouraging women's entrepreneurship, and ensuring their access to resources and training, aiming to empower women and enhance their contributions to the economy.

As a key metric of SDG 5.5.2, the number of women in management as a share of employment in management across various world regions is shown in Figure 12. Africa has seen a remarkable transformation where only 19.3% of managers were female in 2000 to 32.7% in 2022. This is higher

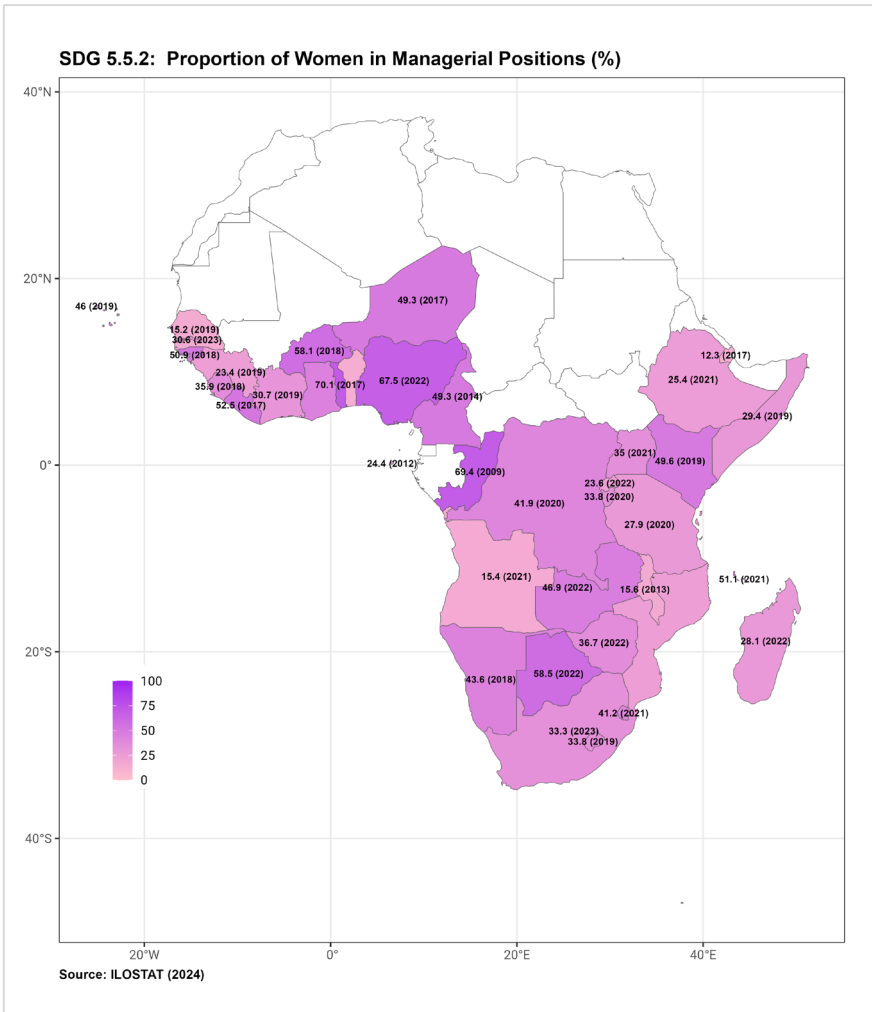
than the world average of 27.5% in 2022, but across all regions, women are yet to achieve gender parity in management.

Figure 12: SDG indicator 5.5.2 – Representation of Females in Managerial Positions Across Major World Regions



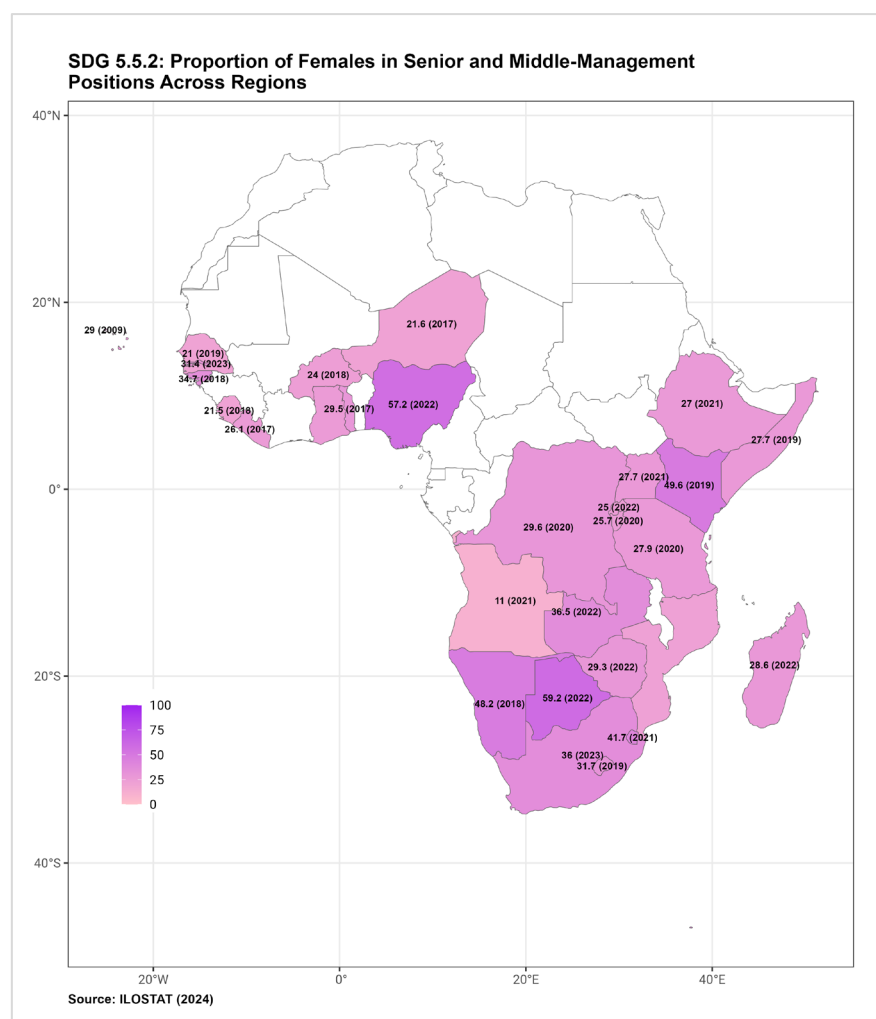
If we are to consider female representation in managerial positions (including junior management) within Africa, a heterogeneous picture emerges (Figure 13). Here, we observe the highest representation for females in management in Togo (70.1%), Burkina Faso (69.9%), Republic of the Congo (69.4%) and Nigeria (67.5%). The lowest representation occurs in Senegal (15.2%), Benin (13.7%) and Djibouti (12.3%). Moving on to female representation in senior and middle-management positions in Sub-Saharan Africa (Figure 14), a different picture emerges. Here Nigeria (57.2%), Botswana (52.7%), and Kenya (49.6%) show the highest female representation, whilst Sierra Leone (21.5%), Senegal (21%) and Angola (11%) show the lowest representation.

Figure 13: SDG indicator 5.5.2 – Representation of Females in Managerial Positions Across Sub-Saharan Africa



Sustainable Development Goal 8.3.1 aims to promote inclusive and sustainable economic growth by supporting productive activities, decent job creation, entrepreneurship, creativity, and innovation, and by encouraging the formalisation and growth of micro-, small-, and medium-sized enterprises, including through access to financial services (United Nations, 2022). For women in services trade in Sub-Saharan Africa, this goal highlights the importance of creating policies and programs that support women entrepreneurs and workers in accessing markets, finance, and training, thereby enhancing their economic opportunities, and ensuring their participation in the formal economy.

Figure 14: SDG indicator 5.5.2 – Representation of Females in Senior and Middle-Management Positions Across Sub-Saharan Africa

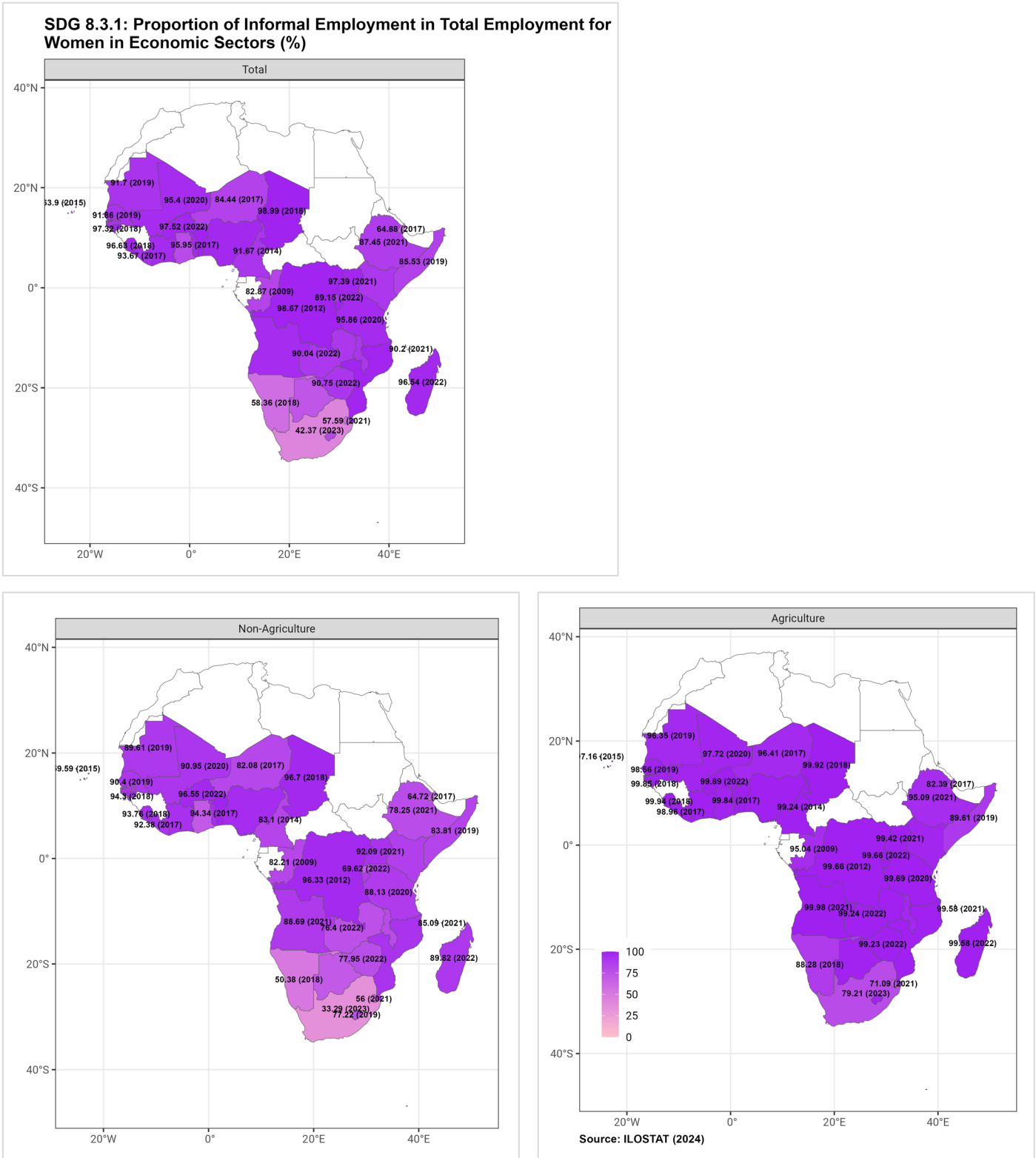


The informal sector within Sub-Saharan Africa remains a significant part of employment in the real economy of Africa. Informal employment encompasses individuals working in non-regulated environments, including self-employed in informal businesses, subsistence farmers, contributing family workers in any enterprise, and employees in informal roles across formal and informal sectors, or as domestic workers. This broad category captures a diverse workforce outside formal employment agreements and protections.

Figure 15 shows the distribution of female informal employment throughout Sub-Saharan Africa. Informal employment as a proportion of total employment for females is highest in countries such as Burundi (99.05%), Chad (98.99%) and Democratic Republic of the Congo (98.67%). The lowest informal employment as a proportion of total employment for females is evident in Namibia (58.36%), eSwatini (57.59%) and South Africa (42.37%). Looking at Sub-Saharan Africa as a whole, it is clear that informal

employment plays a significant role in the employment of women as no country (excepting South Africa) show proportions less than 50%.

Figure 15: SDG indicator 8.3.1 – Employment of Females in the Informal Sector in Sub-Saharan Africa

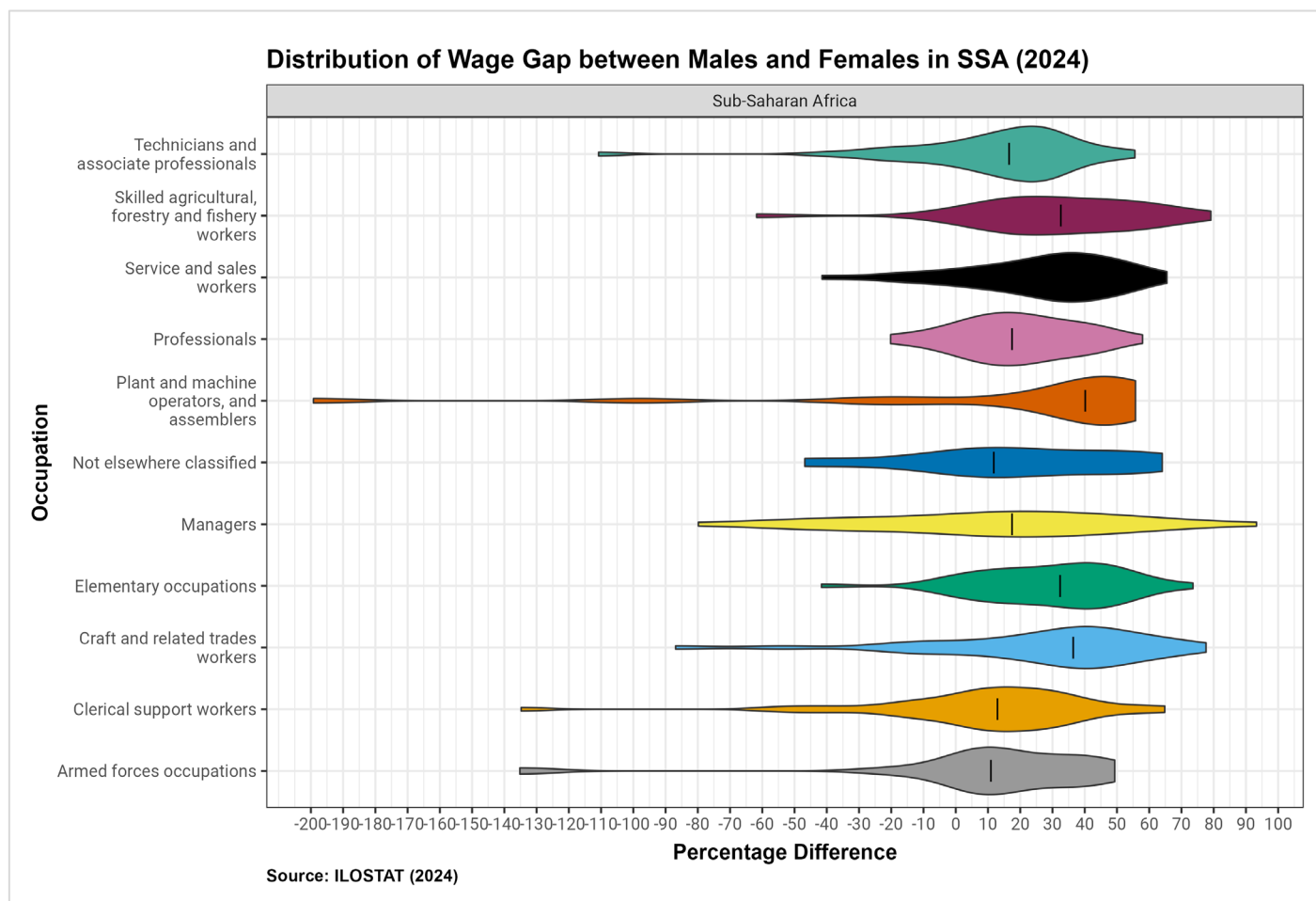


When breaking down informal employment by sector, agriculture typically shows a higher incidence of informal work compared to non-agricultural sectors. This suggests a notable difference in the structure of employment across these areas, with a larger share of the workforce engaged in informal activities within the agricultural domain.

Narrowing the wage gap in Sub-Saharan Africa is crucial for fostering economic equality and enhancing social cohesion within the region. It signifies a move towards gender parity and equitable opportunities, crucial for harnessing the full potential of the workforce. By reducing wage disparities, Sub-Saharan Africa can boost the economic empowerment of women and marginalised groups, leading to more inclusive economic growth. This progress is not just a matter of fairness but also a strategic investment in the region's socio-economic development. A narrower wage gap can lead to increased household incomes, higher spending on education and health, and a stronger, more resilient economy that benefits from the diverse talents and perspectives of its entire population. Ultimately, addressing wage inequities is foundational to achieving sustainable development goals and building a more equitable future for all in Sub-Saharan Africa.

The wage gap between males and females across various occupations in Sub-Saharan Africa (SSA) is displayed in Figure 16. The black vertical bar within each violin plot shows the median wage gap, and the width (and height) of each plot shows the distribution of the wage gap across countries in Sub-Saharan Africa. What is immediately apparent is that wages across countries are heavily skewed towards males (positive wage gap), with the median wage gap being 10 percent or higher across occupations. The long tails towards negative percentage differences in technicians and associate professionals; skilled agricultural, forestry and fishery workers; plant and machine operators; clerical workers and armed force occupations are indicative of at least some countries in the region showing marked differences in wages in favour of women.

Figure 16: The wage gap* between males and females across Sub-Saharan Africa (SSA)



* Calculated as average earnings of men minus average earnings of women expressed as a percentage of the average earnings of men

Gender Dynamics in Management: Firm Characteristics Across Sub-Saharan African Regional Economies

This section draws predominantly from the World Bank Group's Enterprise Analysis Unit within the Development Economics Global Indicators Department, utilising data from the latest *World Bank Enterprises Survey* (The World Bank, 2023). An average was derived for each region by aggregating country-specific data, focusing on the most recent data available for each country. The analysis centres on women's involvement in the services and manufacturing sectors, examining constraints to business, and exploring the dynamics of technology, innovation, and characteristics of service sector exports and imports.

The Participation of Females in Manufacturing and Services Firms

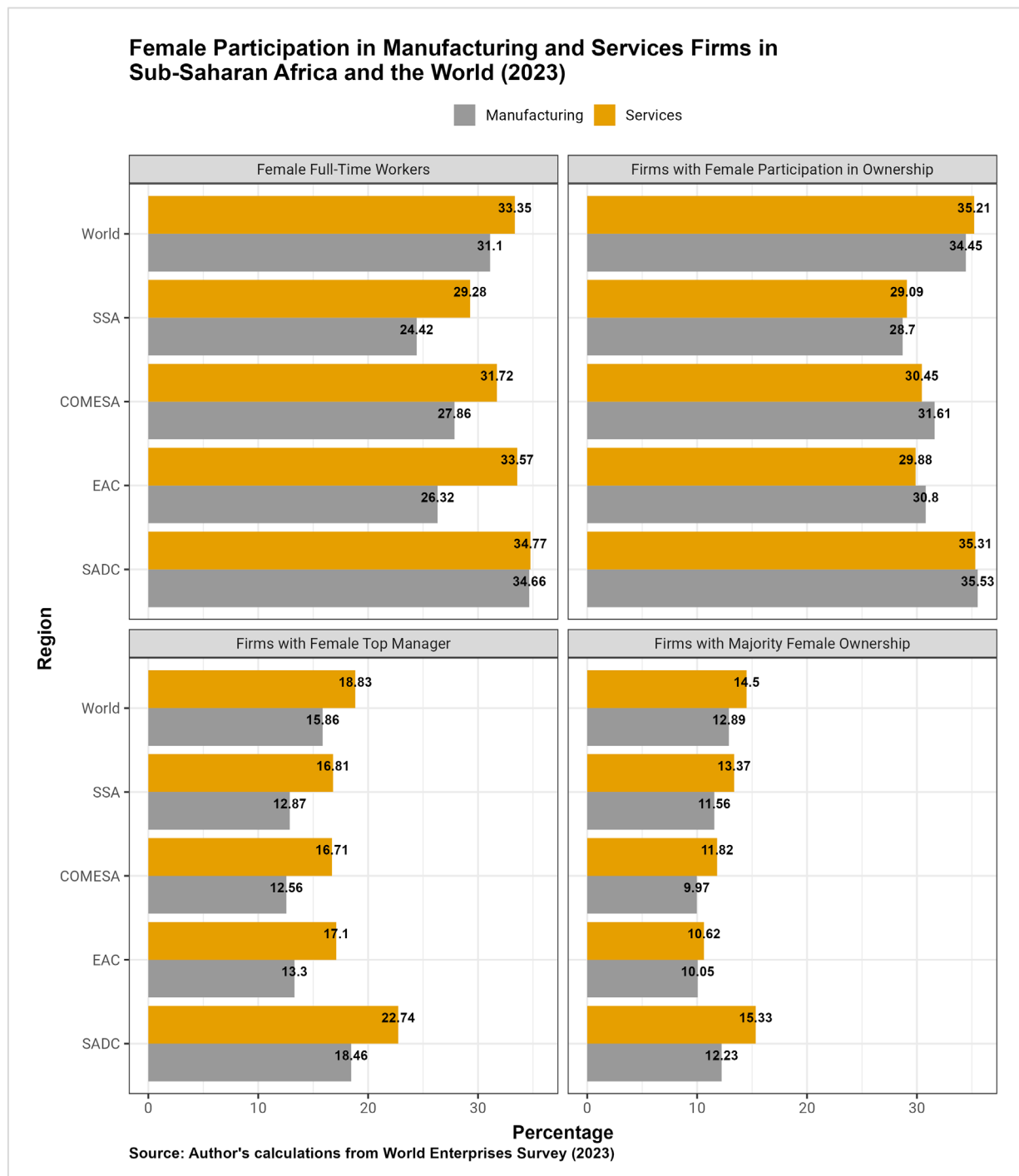
An overview of the participation of females in work, management and ownership across several regional economies is displayed in Figure 17.

Turning to the proportion of full-time workers who are female, we see that in general, a higher proportion work in services compared to manufacturing in Sub-Saharan Africa. Compared to the world, Sub-Saharan Africa sees a lower proportion of female workers in both manufacturing and services firms. The EAC and SADC, compared to the world, have proportionately more females working in service firms. SADC, compared to the world average, also sees higher female participation in full-time employment in manufacturing firms.

Considering firms with female participation in ownership, we again see a lower representation in Sub-Saharan Africa and regional economies compared to the world. It is only in SADC, where such representation is slightly better than the world average across both manufacturing and services firms.

Looking at female representation in top management across the regional economies, we see that it is only in SADC where proportionately more firms than the world has females in top management. This is true for both services (22.74% vs 18.83%) and manufacturing (18.46% vs 15.86%). The picture is similar when studying firms with majority female ownership. Here SADC outperforms other regional economies and the world in services firms but slightly lags the world average in manufacturing firms.

Figure 17: Female participation, management, and ownership in Sub-Saharan Africa

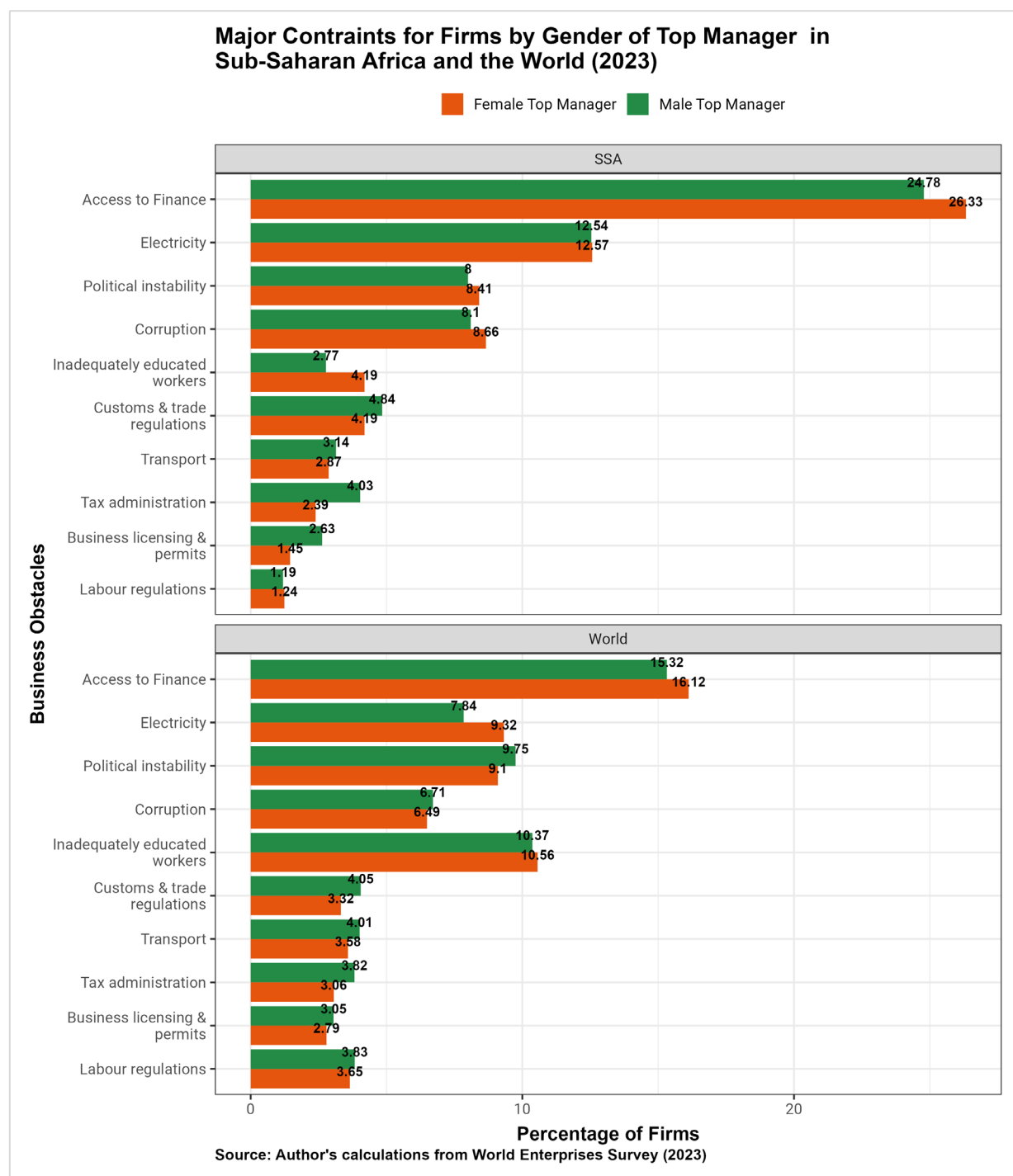


Perceived Business Constraints in Sub-Saharan Africa

Navigating the business landscape presents universal challenges, yet firms led by female managers encounter distinct obstacles compared to their male counterparts. These challenges range from negotiating advantageous business deals to securing clientele and building a recognisable brand.

Figure 18 illustrates the diverse hurdles businesses encounter, broken down by the gender of the top manager, providing insights into the unique dynamics at play in gendered leadership scenarios. By quite a distance, access to finance remains a major constraint to business for both males and females in Sub-Saharan Africa, with proportionally more female managers seeing it as an obstacle. This is also substantially higher than the world average, for males (24.78% vs 15.32%) and for females (26.33% vs 16.12%). Following on from this, electricity, political instability, and corruption are the next three major

Figure 18: Percentage of Firms by gender of Top Manager facing certain constraints to business

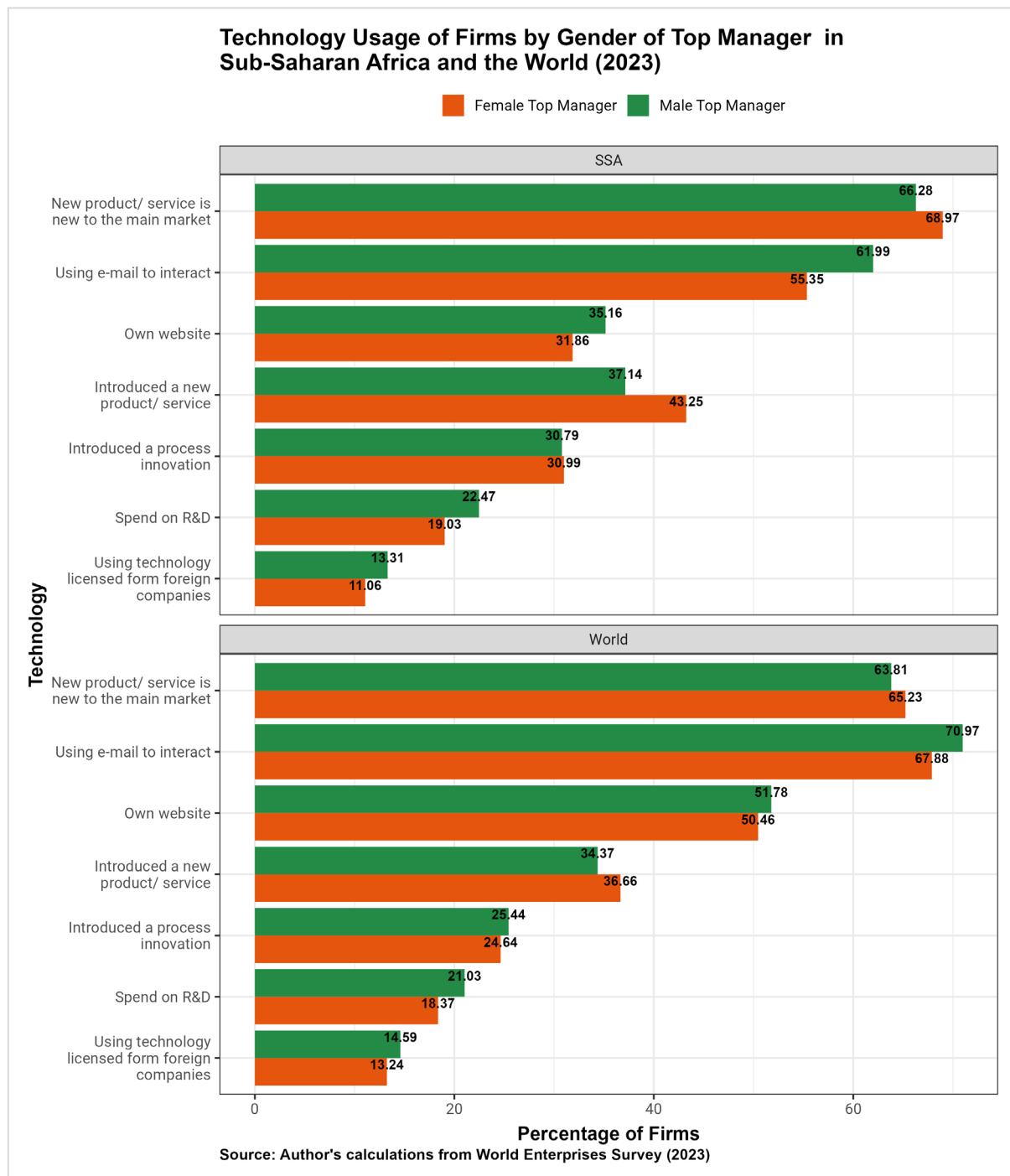


perceived obstacles to business in Sub-Saharan Africa. The proportion of managers seeing these as constraints are also proportionately higher in Sub-Saharan Africa compared to the world. Quite a deviation compared to the world, is that far fewer top managers in Sub-Saharan Africa see inadequately educated workers as a major business constraint.

Technology and Innovation within Business in Sub-Saharan Africa

Figure 19 delineates the adoption of technologies and innovation production among firms, highlighting a notable trend in Sub-Saharan Africa: regardless of the manager's gender, firms in Sub-Saharan Africa are significantly less likely than the global average to have their own website or use email for communication. This gap may stem from numerous factors, including limited internet access or a lack of connections with web development professionals. Intriguingly, compared to the global average, SSA firms, irrespective of the top manager's gender, show a greater propensity for launching new products or services, penetrating new markets, and implementing process innovations. This tendency reflects a proactive approach to capturing the extensive, yet unexplored, market opportunities for innovative offerings within the region.

Figure 19: Technology and Innovation Characteristics for Firms Across Sub-Saharan Africa and the World

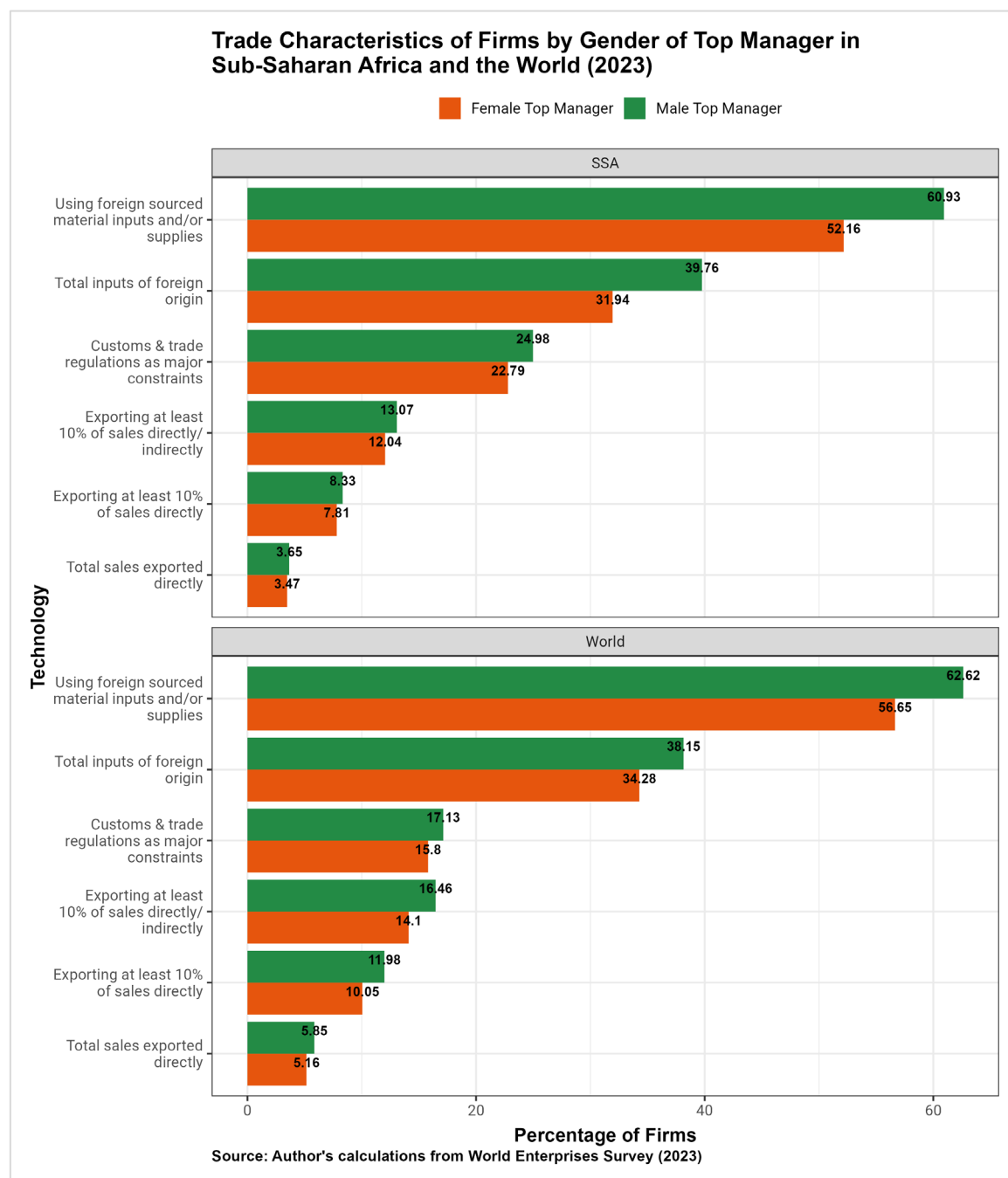


Service Sector Firms' Export and Import Characteristics

The expansion of services trade is recognised for its capacity to yield substantial societal welfare benefits, infuse foreign capital, enhance competitiveness, and ultimately improve firm performance and job availability. Figure 20 shows trade practices among firms, categorised by the gender of the top manager for 2023. The data reveal that, in comparison to global averages, a smaller proportion of firms

in Sub-Saharan Africa report exporting a significant share of their sales (at least 10%) directly -7.81% for firms led by women and 8.33% for those led by men. This shows a decline from the 10% and 13.4% respectively reported for 2022 in a previous study (van der Nest, 2022). Moreover, SSA firms also still demonstrate a lower tendency towards direct sales exportation, with female-led firms at 3.47% and male-led at 3.65% of total sales.

Figure 20: Trade Characteristics of Services Firms Across Sub-Saharan Africa and the World



The usage of foreign-sourced materials for inputs and/or supplies by Sub-Saharan African firms, irrespective of the manager's gender, is slightly less than the global norm, though this remains a major characteristic of firms across the region. Specifically, female-led firms in Sub-Saharan Africa show a lesser proportion of inputs of foreign origin (31.94%) compared to the global average (34.28%). Conversely, male-led firms in Sub-Saharan Africa exhibit a slightly higher percentage of foreign-origin inputs (39.76%) when juxtaposed with the global figure (38.15%). This nuanced perspective underscores the diverse approaches to sourcing and trade practices among Sub-Saharan African firms, highlighting the interaction of managerial gender with trade characteristics.

Conclusion

This report offers an extensive update and examination of women's economic participation within Sub-Saharan Africa, shedding light on persisting challenges and emerging opportunities. It reveals that, on average, women in the region still fall behind the global benchmarks in ownership, participation, and employment in more lucrative professions. The disparity between female and male economic activity in Sub-Saharan Africa remains pronounced, indicating that the continent has yet to fully harness its demographic dividend.

Financial access continues to be a significant barrier for women in business across Sub-Saharan Africa, alongside infrastructural constraints such as reliable electricity supply. Despite these hurdles, a noteworthy portion of female-led firms has successfully launched innovations or introduced new products and services to the market, underscoring the untapped potential for growth and innovation in female-led enterprises.

Women's role in African trade is pivotal. To unlock the full potential of women in the African economy, it is imperative for governments to implement policies that improve access to crucial trading networks, combat gender-specific challenges such as harassment and extortion at borders and streamline the often-burdensome trade processes and documentation requirements. Such bureaucratic hurdles are particularly detrimental to women, who frequently balance commercial activities with extensive household and community responsibilities.

Moreover, this report highlights that women are less likely than men to secure material inputs that could enhance their businesses' productivity and competitive edge, both locally and internationally. Acknowledging these realities and proactively supporting women's crucial contributions to the

economy will be instrumental in maximising the benefits of services trade and elevating women's role in economic development across Africa. Encouragingly, the resilience and innovation demonstrated by female entrepreneurs, despite systemic barriers, signal a pathway toward inclusive growth and a more equitable economic landscape in Sub-Saharan Africa.

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