



Food and Agriculture Organization
of the United Nations

Seizing the opportunities of the African Continental Free Trade Area for the economic empowerment of women in agriculture





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► Introduction

The African Continental Free Trade Area (AfCFTA) agreement, signed by 54 of the 55 African Union (AU) Member states, establishes the largest free-trade area in the world. The agreement includes the creation of a single market aiming to enhance intra-African trade, facilitate investment, improve continental economic integration, and boost the competitiveness of its Member States both within the continent and in the global market. The agreement is expected to bring about change in Africa's trade practices with the goal of accelerating economic growth especially in the agricultural sector where smallholder farmers, processors, and informal cross border traders particularly women stand to benefit greatly from an expanded market access. As a result, the AfCFTA holds the potential to contribute significantly to eliminating poverty, creating jobs, improving food security, and promoting gender equality.

Moving up the value chain, leveraging networks of women's associations, upgrading their businesses, and tapping into new markets are some of the many benefits women can reap by trading under the AfCFTA. Gender equality, women, and youth are specifically mentioned in the AfCFTA agreement in Article 3 (e): "Promote and attain sustainable and inclusive socio-economic development, gender equality and structural transformation of the State Parties" and Article 27 (2) (d) "Improve the export capacity of both formal and informal service suppliers, with particular attention to micro, small and medium size; women and youth service suppliers" (African Union, 2018). However, a more prominent focus on gender equality is lacking throughout the text of the agreement.

By creating new formal regulated markets, the AfCFTA will trigger a shift from subsistence-oriented production systems to more market-oriented ones. Currently, 85 percent of economic activity in Africa is conducted in the informal sector where women account for nearly 90 percent of the informal labor force. According to the ILO's 2016 employment analysis, 64 percent of informal employment is in agriculture (relative to industry and services) in sub-Saharan Africa (Bonnet, Vanek & Chen, 2019). Women have higher rates of informal employment than men with 92 percent of women workers in informal employment versus 86 percent of men (Bonnet, Vanek & Chen, 2019). According to the 2016 Africa Human Development Report, gender inequality is costing sub-Saharan Africa an estimated USD 95 billion annually. An African free trade area can be a powerful force towards closing gender gaps but may also exacerbate existing gender disparities and discrimination and worsen the condition of women engaged in trade and agriculture.

Agriculture is closely intertwined with trade – both formal and informal – in sub-Saharan Africa. For instance, informally traded maize accounts for roughly 45 percent of all officially traded maize (Lesser and Moise-Leeman, 2009). Agriculture and informal economic activity are among some of the most important sources of livelihood for women. Women



are estimated to account for approximately 70 percent of informal cross-border traders (UNDP 2020) and are also prevalent among owners of micro, small, or medium-sized enterprises (MSMEs). This means that women are likely to be more vulnerable to market shocks and market disruptions, where they are often constrained in their access to credit and financial liquidity compared to large businesses. Recognizing the intersections of gender, agriculture, and trade, it is critical to ensure that the implementation of the AfCFTA addresses the nuanced and varied challenges that women face. Gender implications from the implementation of the AfCFTA are also likely to be context-specific and assessments will be needed on a case-by-case basis.

Women in the agriculture sector take on a plethora of roles. They are engaged in production, processing, distribution and trade, often simultaneously, and at times can be involved in multiple aspects of agricultural value chains, especially women who are MSME owners engaged in agriculture (agripreneurs¹). Implementation of the agreement that is not inclusive of women could result in a widening gender gap by negatively affecting Women-led MSMEs and those who rely on informal trade (including cross border) for their livelihoods. Their engagement in this type of trade is often the only source of income to their families. Furthermore, the global COVID-19 pandemic has exposed the vulnerability of women's informal businesses and MSMEs, highlighting the pressing need to increase their access to and control over resources, technical knowledge, services, and finance. By strengthening their businesses models and skills, women producers, processors and traders can be better supported in their integration in the formal economy.

Although informal cross-border trade (ICBT) has the potential to transition to micro-entrepreneurial formal markets and help alleviate poverty, contribute to food security and strengthen women's empowerment, practices that take into careful consideration the specific challenges that women face must be prioritized. The links between gender, trade, agriculture, and food security are inherently complex and difficult to generalize. It is therefore vital that the operationalization of the AfCFTA agreement ensure that future trade policies, practices, and regulations promote gender equality and the empowerment of women and girls on the African continent, especially in supporting women to seize the new opportunities created 'in agriculture' by the AfCFTA.

¹ Agripreneurs refer to farmers who are entrepreneurs. Small-scale farmers make many decisions in economic environments in which they are subject to many risks such as price surges and adverse weather, hence, they can be considered entrepreneurs (FAO, 2015; Hilmi 2018)



► Challenges for women in agriculture and intra-African trade

Gender gaps are apparent within all points of agricultural value chains, affecting how women can engage in formal trade and will operate in the new open market established by the AfCFTA. Structural constraints and deep-rooted gender inequalities, such as those in land access, continue to hinder the progress women make in agriculture and subsequently trade. In addition, traditional gender roles, often constraining women as unpaid caregivers and homemakers, shapes their lack of access to capital and places barriers to free movement and control over assets and income within households. Such challenges become compounded for women farmers, processors, traders, and MSME owners as they engage in the economic opportunities created by the AfCFTA market.

The Food and Agricultural Organization of the United Nations (FAO) and the African Union Commission (AUC) recently launched the *Framework for boosting intra-African trade in agricultural commodities and services* to guide regional economic communities (RECs) and AU Member States in developing agricultural trade policies, strategies and plans to facilitate the expansion of trade within the AfCFTA. The Framework outlines the structural transformation of agriculture and sustainable growth and prosperity in Africa, as well as several key barriers related to agricultural value chains and trade, with a particular focus on barriers for informal economy participants such as women and youth. Expanding on these, following are several gender specific challenges relative to AfCFTA implementation and women in agriculture.

1. Structural gender inequalities in agriculture and trade

Gender disparities in agriculture can exacerbate gender disparities in the transition to formalized markets: Participation in agricultural productive activities reveals gender gaps in several areas such as land, livestock ownership, access to extension services, inputs, production related technology, and social protection for informal workers. Small-scale farmers in the Africa region, both men and women, lack access to information and knowledge to improve their production capacity, with women regarded as worse off (Mudege *et al.*, 2015). In addition, gender relations that devalue women's role in agriculture, often regarded as helpers and not farmers, further promote the perception that men hold the authority and decision-making power. Without addressing the multi-layered and complex gender relations and disparities that exist in agriculture, the establishment of the free trade area can reinforce and reproduce gender inequality in who can access the formalized economy. Enabling women producers to adequately access technical support to stabilize their production to participate in formal markets will be necessary.



Lower literacy levels and education gaps: Women's lower literacy levels constrain their ability to engage in regional and cross-border formal markets. Poor skills, education, and training force traders to engage in informal trade to earn a living (Koroma *et al.*, 2017), and that explains why women in particular depend on informal trade. Furthermore, to tackle this issue, women make use of middle men, entailing additional costs and lowering their control over transactions related to their trading operations. Women with low levels of literacy will face more difficulty in complying with paperwork requirements needed for customs procedures such as sanitary and phytosanitary (SPS) measures, certificates of origin, trade permits, and export certificates. In addition, they will be less able to address challenges that will arise in formal markets such as compliance costs, including complying with food safety requirements, understanding different tax regulations, addressing risks of fraud and non-payment, language differences, and engaging in dispute resolution and supplier restrictions. Without adequate training and education in business, entrepreneurial skills, and awareness of trade issues and regulations and fluency in languages of trading partners, women will struggle to access formal economies.

2. Market and financial services related challenges

Lack of market information systems: Weak market infrastructure, especially unreliable trade information systems, result in sharp fluctuations in price and bottlenecks in distribution, which often can lead to food shortages in one region and surpluses in another. A more robust market information system with more readily accessible information can better support women informal cross border traders and smallholder farmers and processors to engage in the formal market. Additionally, governments can facilitate cross-border trade by investing in physical infrastructure and harmonizing standards like SPS, streamlining licensing procedures, and simplifying customs formalities. Such solutions need to especially consider the experiences of women involved in ICBT in their design and implementation (as outlined in the gender equality, integrity and anti-corruption provisions of the Revised Arusha Declaration and the Revised Kyoto Convention of the World Customs Organization [WCO]).

Access and transition to formal markets requires more inclusive financial access: The AfCFTA will create new formal markets where the reduction of tariffs should make it easier for women informal traders and producers to generate new business opportunities by reducing trade costs. However, because women in Africa have limited access to financial services and formalized assets such as titles and deeds, this results in low levels of investment in productive capacity, hampering the growth of women-led MSMEs. Alleviating financial collateral constraints can allow more women producers and traders to participate in formal markets and expand their businesses. According to a study conducted on women and ICBT in Southern Africa, women are consistently found to rely on their own personal savings and women "savings clubs" (technically, rotating savings and credit associations)



to source capital for trade as opposed to commercial banks and government programmes (USAID, 2016). Context- and gender-specific data and information will be of key importance to better inform processes for more robust policy making and technical support.

3. Distribution related challenges

Transportation costs can disproportionately impact women: Non-tariff barriers (NTBs) such as transportation costs often account for 50 to 60 percent of marketing costs. Roadblocks can also increase transportation costs. In some regions, women are traditionally not allowed to travel long distances alone and often must hire a male to transport their goods, adding additional costs to participate in cross-border trade. In addition, their exclusion from last mile distribution can often equate to losing income generated from the sale of their goods. Other NTBs include security procedures at border points that are extremely extensive and time-consuming and limit how much movement people engaged in trade have. Market places that are more accessible for women and designed with the consideration of safety and protection of women can address some of these challenges (working hours, lighting, toilet facilities, etc.).

Corruption and risk of gender based violence (GBV) and harassment at the border:

Women face more challenges, compared to their male peers, especially in regard to corrupt officials and harassment at the border. Border officials can take advantage of information and education gaps concerning trade documentation and charge false taxes or take bribes for cutting long lines at the border (Ruiter *et al.*, 2017). Studies in Eastern Africa cite that women in cross-border trade are forced to pay larger bribes than men and face sexual harassment and extortion from border guards (Higgins and Turner, 2010). Higher degrees of professionalism and accountability of border officials, including hiring of more female border officials would help alleviate these issues (through, for example, the enforcement of WCO commitments by member countries).

4. Other challenges

ICT and digitalization technologies are expected to grow, but strong inequalities remain in digital access, control, and use between socio-economic groups and gender:

The digital gender gap in Africa is multi-faceted with differences existing across the continent and within countries (e.g. Kenya relies on digital, mobile-based technologies for financial transactions while other countries rarely use such services) (FAO, 2021). Although e-commerce in Africa is growing at 40 percent annually, women are still less likely than men to have access to mobile phones and internet service. For instance, the gender gap in mobile internet access² in sub-Saharan Africa is one of the widest and remains relatively

² The gender gap refers to how much less likely a woman is to use mobile internet than a man.



unchanged since 2017 with 37 percent more adult males using the mobile internet over adult females (GSM, 2021). In addition, social and cultural norms that prioritize men for use of technology as well as online gender-based violence are underlying barriers that constrain women's access (FAO, 2021). E-commerce and digital technologies are included in the AfCFTA and will be integrated through the E-Commerce Protocol in the third phase of negotiations. However, gender-specific policy provisions and programmes will need to address these gaps to ensure that women traders are fully equipped to leverage the full range of benefits of digital technologies and applications that could more easily connect them with markets and support services. There is great potential for digital technologies, such as e-commerce platforms, to facilitate the marketing of produce from farmers to consumers. Policy-makers across Africa must consider how women can be empowered in the use of digital technologies that can be used to facilitate trade, especially in the context of restrictions taking place to curb the spread of the COVID-19 virus.

Climate change, gender, and trade: Climate change has significant implications for agriculture and food security, where higher average temperatures, rising sea levels, and extreme weather events will impact harvest levels, animal production, and fisheries and aquaculture. Since 1950, heat waves have become significantly hotter and last longer with deadly new temperature extremes breaking records every year. It is now widely acknowledged that climate change impacts are not gender-neutral. For instance, longer periods of drought will impact access to water where women already lack influence over the use of natural resources and their labour burden exceeds that of men, as they have more unpaid household responsibilities such as water and fuel collection (FAO, 2020b). Instability in agricultural production equates to instability in market supplies and therefore leaves small scale producers especially vulnerable to competition from large scale businesses that are better equipped to mitigate impact from climate change. Policy makers will need to make region-specific plans as climate change will impact all regions differently, especially as related to gender, trade, and agriculture.

Future Crises such as the COVID-19 pandemic: The COVID-19 pandemic created multiple disruptions such as border closures, travel restrictions, and supply chain disruptions which led to major economic downturns for many African countries (FAO, 2020a). The pandemic have more disproportionate impact on women than men, increasing the likelihood of extreme poverty for women compared to men in a study conducted in Eastern and Southern Africa as women faced higher job loss and greater care burdens (UN Women, 2021). At the global level, the prevalence of moderate or severe food security was 10 percent higher among women than men in 2020 compared to 6 percent in 2019 (FAO *et al.*, 2021). Future shocks to trade in agricultural value chains can be mitigated and ensuring that public health and food systems are protected and remain robust by learning from previous crisis, including the coronavirus pandemic for example by as protecting essential workers or maintaining open trade channels and cross-border trade.



▶▶ What can FAO do?

The AfCFTA has the potential to serve as a major turning point for gender equality, trade, and agriculture. If women farmers were given the same access to resources such as finance, they could increase agricultural yields and contribute to higher national agricultural production levels and strengthen food security. The opportunities to uplift the status of women in Africa are possible with a more open market like the AfCFTA. As the AfCFTA begins its implementation phase, participating countries will begin a process of development and review of their economic and trade policies, which frequently tend to be gender blind. In order to identify solutions and address challenges posed by the implementation of AfCFTA, FAO can:

- ▶▶ Initiate strategic partnerships to develop innovative solutions and policy recommendations to ensure that the implementation of the AfCFTA agreement will provide opportunities that benefit women.
- ▶▶ Identify key topics in the AfCFTA implementation relative to women traders, producers, and agriculture value chains and conduct policy analysis to address gender dimensions of the AfCFTA (with particular focus on digitalization and innovation, SPS, trade facilitation, Geographical Indication [GI], and e-commerce). In identifying the possible negative impacts of the AfCFTA on women and addressing ways to mitigate them, we can ensure that the AfCFTA results in the empowerment of women traders and benefit all those who engage in trade within the African continent.
- ▶▶ Convene critical actors in Africa's agricultural trade environment, including women smallholder farmers, women's cooperatives, processors, traders, and business associations, policy makers from ministries responsible for agriculture, trade, industry, gender and environment, and the private sector, to discuss market access and trade facilitation practices and find solutions that address the needs of women engaged in informal cross-border trade and agri-food systems.
- ▶▶ Conduct policy dialogues to train policy makers to better integrate gender provisions in agricultural trade policies and budgets. Such policies include AfCFTA national strategies and can leverage FAO's strategic role in the agricultural trade policy space in Africa.
- ▶▶ Inform, exchange knowledge and build the capacity of women and women organizations so that they are involved in Africa's trade environment and understand what the AfCFTA agreement entails, including its opportunities and challenges.
- ▶▶ Engage private sector actors to promote more services targeting women and connect with women's groups involved in agricultural value chains, such as women farmer groups.
- ▶▶ Leverage FAO's expertise on South-South and Triangular Cooperation to share best practices and strategies to create more robust and conducive environment for agricultural trade for women, and address gender-specific barriers that limit women's access to markets.
- ▶▶ Identify regional value chains of high priority for women producers and traders to analyze and detail how to increase women's participation and benefits, for their expansion into continental value chains.



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Climate change has significant implications for agriculture and food security where higher average temperatures, rising sea levels, and extreme weather events will impact harvest levels, animal production, and fisheries and aquaculture.

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