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Trade and Women's Economic Empowerment Evidence from Small and Medium-Sized Enterprises

Yiagadeesen Samy
Adeniran Adedeji
Augustine Iraoya
Madhurjya Kumar Dutta
Jasmine Lal Fakmawii
Wen Hao

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Trade and Women's Economic Empowerment

“This timely and insightful volume of research shows that, across many developing countries, if we want Trade to be truly inclusive—empowering women and lifting them from the margins of the economy—then we must enact enabling policies that remove those barriers such as skills, access to finance and land that prevent women from maximizing their potential as entrepreneurs or workers!”

—Dr. Ngozi Okonjo-Iweala, *WTO Director-General*

Yiagadeesen Samy · Adeniran Adedeji ·
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Introduction

Abstract In this introductory chapter, the authors provide the context for the main research questions that their book examines. These questions—(1) Why—and under what circumstances—do some trade sectors create more jobs for women and others do not? (2) To what extent are the jobs created contributing to women’s economic empowerment? (3) What strategies and policies are needed to ensure these sectors work optimally?—address the relationship between trade and women’s economic empowerment from the perspective of small and medium-sized enterprises (SMEs) across six developing countries. The authors review the literature on trade and gender, identify gaps from that literature, and briefly discuss the research design that they have chosen for this project.

This book is the result of a research project funded by the International Development Research Centre, a Canadian federal Crown corporation, whose head office is in Canada’s capital, Ottawa. The research was led by the Trade Facilitation Office Canada (<https://tfocanada.ca/>) in collaboration with the Centre for the Study of the Economies of Africa (CSEA), Nigeria (<https://cseaafrica.org/>) and Mekong Institute, Thailand (<https://www.mekonginstitute.org/>). The authors would like to thank Joy Kwak, a graduate student at the Norman Paterson School of International Affairs, Carleton University, for her research assistance towards this project.

Keywords Development · Gender · Trade · Women's economic empowerment

1.1 CONTEXT

It is widely recognized that international trade has the potential to provide women with more and better employment opportunities, thus driving productivity and economic growth while empowering women and improving gender equality. This potential, however, is not always fully exploited because of the various constraints that women face when they engage in trade. Focusing on small and medium-sized enterprises (SMEs)¹ as the unit of analysis, this book examines the relationship between trade and women's economic empowerment.² Specifically, it delves into the relationship between trade and job creation for women, and the extent to which these jobs contribute to women's economic empowerment. Gender equality (and women's economic empowerment) matter both intrinsically and instrumentally (World Bank, 2012). Individuals should be able to choose a life where they can enjoy basic necessities as a human right that should be the same for everyone, and gender equality matters for both economic efficiency and the achievement of other development outcomes (World Bank, 2012). A 2015 report by McKinsey Global Institute found that \$28 trillion or 26% could be added to global GDP by 2025 if women could play the same role as men in labor markets.

As we have just reached the halfway point in the implementation of the 17 Sustainable Development Goals (SDGs) that were adopted by all UN member states in 2015 as part of Agenda 2030 for Sustainable Development, it is important to take stock of where we are with respect to goals and targets related to gender equality and women empowerment on the one hand, and trade on the other. Among these 17 SDGs, SDG 5 is about achieving gender equality and empowering all women and girls while SDG 17, which calls for a global partnership for sustainable development, includes specific targets related to a fairer multilateral trading system (Target 17.10), increasing exports of developing countries (Target 17.11) and market access for the least developed countries (Target 17.12).

While SDG 5 and SDG 17 are directly connected to this book's focus on trade and women's economic empowerment, the SDGs are also all interconnected. For example, although SDG 5 is a standalone goal, it is interlinked with other SDGs such as SDG 1 (poverty reduction), SDG 2 (zero hunger), SDG 4 (quality education), SDG 8 (decent work and economic growth) and SDG 16 (peace, justice and strong institutions) to just name a few.³ Put simply, focusing on gender equality can thus influence the other goals; such interlinkages matter for policy integration and for synergies across the various goals. Unfortunately, despite progress on gender equality in recent decades, the 2020 UN SDG Report (United Nations, 2020) notes that there is still a long way to go before women and girls are able to enjoy full gender equality and where legal, social and economic barriers to their empowerment no longer exist. SDG 5 is now even further from being achieved due to the disproportionate impact of the COVID-19 pandemic on vulnerable groups that include working women and female entrepreneurs in particular (United Nations Economic and Social Council 2021).

As a recent report from UN Women (2022) indicates, more women and girls will live in poverty in sub-Saharan Africa in 2030 than today. The report also notes that the gender gap in labor force participation (and thus gender pay gaps) has widened around the world since the pandemic began, and that the world is not on track to achieve SDG 5 by 2030. Of concern is also the fact that slightly less than 50% of data needed to track progress on SDG 5 are currently available. In the case of SDG 17, SMEs are underrepresented in international trade (in terms of export shares) even if they contribute significantly to output and employment in local economies. Furthermore, the COVID-19 pandemic has laid bare the vulnerabilities of global supply chains, casting doubts about the benefits of globalization while contributing to the trend of economic nationalism seen in recent years. Supply chains have also been further tested recently as a result of the ongoing conflict between Russia and Ukraine.

This book on trade and women's economic empowerment could thus not be timelier. Specifically, it focuses on SMEs, including those that are women-owned and women-led,⁴ in six developing countries: two countries from Southeast Asia, namely Cambodia and Vietnam, and four others from sub-Saharan Africa, namely Ghana, Madagascar, Senegal and Nigeria. The book investigates how and to what extent these SMEs empower women. The research conducted for this book proceeded in two stages. First, survey data was collected across these six countries. Second,

qualitative analysis based on focus group discussions (FGDs), key informant interviews (KIIs) and in-depth interviews (IDIs) with various actors (managers and employers; government officials and Trade Support Organizations [TSOs]; male and female employees) were conducted in the six countries to complement the survey data.⁵

1.1.1 Trade and Development

With respect to international trade, one of the enduring features of the last century and the first two decades of the current one has been the expansion of global trade as a result of the integration of national economies through a process more commonly and broadly known as globalization. Despite sporadic episodes of protectionism and the rise in economic nationalism in recent years, the long-term trend has been one of reduced trade barriers and more open economies around the world. In accordance with traditional theories of international trade, developing countries have been able to exploit differences in relative productivity and factor endowments to specialize and export goods in which they have a comparative advantage, and thus improve their productivities, generating economic growth and broader economic development in the process. New trade theories have also shown that there are significant gains from trade liberalization if governments strategically intervene to support certain sectors or industries. Trade has fostered competition and innovation across the world and allowed consumers to enjoy a greater variety of goods.

Countries and regions that have embraced globalization and outward-oriented strategies have experienced improved economic and social outcomes; in fact, a significant correlation is typically observed between trade and economic growth in cross-country data. Part of the challenge for researchers is isolating the effects of trade from other factors, in addition to the endogenous nature of that relationship. However, a few studies (for example, Alcalá & Ciccone, 2004; Frankel & Romer, 1999) have found evidence of a causal relationship between trade on the one hand, and growth and productivity on the other. There is also a fairly significant literature using firm-level data that documents the positive impact of trade liberalization on firm productivity. For example, in a survey of empirical studies Wagner (2012) finds that exporters and importers are more productive than non-exporters and non-importers. Importantly, and despite best efforts by researchers to factor this in their

analysis, some of the available evidence from the literature is tainted by self-selection in the sense that these firms were already more productive before they began exporting or importing. However, the specific nature and contribution of SMEs, compared to larger firms, is not always discussed and distinguished in this literature.

Despite the resulting challenges related to making causal claims, there is a strong theoretical case for, and empirical evidence that, trade liberalization reduces poverty. In particular, international trade can contribute to economic growth and poverty reduction when complemented by the right policies and institutions such as product diversification, policies promoting financial development, protecting property rights and developing vital infrastructure (Mitra, 2016). However, trade liberalization also has distributional consequences. The well-being of certain groups, including poor people and other vulnerable groups, may be negatively affected, at least in the short term, as countries liberalize their trade. To put it bluntly, trade does not benefit everyone equally and not everyone is always able to take advantage of trading opportunities. While some countries and regions (for example, East Asia) have benefitted immensely from globalization, others (for example, several countries in sub-Saharan Africa) have not benefitted to the same extent. In the African context, there is much hope around the African Continental Free Trade Area (AfCFTA), which became operational on January 1, 2021. The AfCFTA could be a real game changer for a continent where intra-country trade is the lowest around the world and where previous attempts at regional integration have been disappointing.

The increasing participation of developing countries in global trade, with China playing a major role, has allowed millions of their citizens to be lifted out of poverty due to job creation and economic growth. Developing countries now account for roughly half of global trade (compared to 38% two decades ago) while global absolute poverty measured as the percentage of people living on less than \$1.90 per day has declined from 36% in 1990 to less than 10% today.⁶ Conversely, one could argue that lower growth and the persistence of poverty in some countries and regions is at least partly due to their lower participation in global trade. The COVID-19 pandemic has already disrupted supply chains and negatively impacted global trade in goods and services. As millions of people have gone back into poverty because of the pandemic, it has also become clear that some of the reduction in global poverty in pre-pandemic years

will be erased, making it more difficult to meet the first SDG of eradicating poverty by 2030. While it is still too early to fully understand the long-term impacts of the pandemic on trade, especially with respect to developing countries, it is a reminder that external shocks (including the ongoing conflict between Russia and Ukraine) can have significant impacts on those that are engaged in, and depend heavily on, external markets. Hence, the fundamental question for open economies that are heavily dependent on trade is how to build resilience and diversify their activities to absorb these shocks.

As the World Bank Group and the World Trade Organization made clear in their 2015 report, for trade to continue to play a poverty reduction role (1) deeper economic integration and lower trade costs are needed (2) reduction of tariffs and non-tariff barriers must be part of a broader approach that addresses the constraints faced by the poor and (3) both the World Bank and World Trade Organization must continue to support poverty reduction, together with other partners. At the individual and household levels, those who live in extreme poverty face various barriers that prevent them from accessing the gains that are possible through international trade. These barriers include living in rural areas, facing situations of fragility and conflict, working in sectors that are highly informal, and barriers related to gender. This book recognizes that while trade has yielded benefits for women in terms of jobs and empowerment, it is also difficult for women to benefit from trade opportunities because of specific constraints that they face both within and outside the household.

The expansion of global trade has also been accompanied by the rise of Global Value Chains (GVCs), whereby various parts of a product cross borders several times before becoming a final product that is then shipped around the world. Together with the increasing use of information and communications technology, digitisation of trade offers more opportunities for firms, including SMEs in developing countries, to integrate into the global economy. In theory, it should be relatively easier for SMEs to participate in GVCs. Due to more limited resources, they could focus on specific tasks within a GVC as opposed to the entire production system. And yet, while SMEs play an important role in job creation and domestic economic activity, including being owned by, and employing, women, their international trade footprint is quite low. It is far more difficult and costly for an SME to succeed in foreign markets when compared to larger firms for a number of reasons such as lack of access to finance,

lack of skills and technology, and costs related to logistics and regulations. Despite the important contribution of women to poverty reduction in developing countries, women-owned SMEs tend to find it even more difficult to engage in international trade.

One of the recommendations of the joint World Bank Group and World Trade Organization (2015) report referenced above was to improve data collection and analysis to inform policy, including on the participation of women in trade. In a more recent follow-up report (World Bank Group and World Trade Organization, 2018),⁷ which considers several case studies to complement the global approach taken in 2015, the authors find that there are various channels through which trade impacts poverty:

Evidence shows that not all the poor are affected equally. The effects will depend on where they live (rural versus urban areas), their individual characteristics (skill, **gender**), the type of trade policy change (increased import competition or export opportunities) and where they work (industry, firm, formal/informal sector). Since the effects are context specific, case study analysis of the type we present in this book is very important to better understand the variety of channels through which trade can affect poverty. (World Bank Group and World Trade Organization, 2018, p. 8; our emphasis)

To specify the research questions that this book addresses, we review the literature on trade and gender in the next section and identify gaps in the existing literature. The third and final section of this introductory chapter discusses the research questions and approach taken, and how the rest of the book is organized.

1.2 TRADE AND GENDER: A SUMMARY OF EXISTING EVIDENCE

The impact of trade on poverty, and other socioeconomic outcomes such as employment and women empowerment, depends on contextual and sectoral factors. For example, in a review of the literature, Winters et al. (2004) conclude that there is a strong theoretical presumption and empirical evidence that trade liberalization leads to poverty alleviation in the long run and on average. However, in the short run trade liberalization has distributional consequences and may negatively affect some people,

including the poor. The authors argue that the ultimate outcome depends on several factors that include where countries are starting from, who the poor are, and the kind of trade reforms undertaken. There is also an extensive literature on trade liberalization and gender that pays attention to the effects of trade on employment opportunities and wages, and the gender gaps that could be created in the process. In particular, it is not obvious that trade liberalization will always reduce gender inequality. For example, the competitive environment created by trade liberalization could induce firms to discriminate less against women; on the other hand, if exporting requires specific skills which women are perceived as lacking, international trade could reinforce gender inequality.

As can be seen in Fig. 1.1, across all developing countries ($n = 104$) for which we had data in 2021, more open economies tend to have lower levels of gender inequality. However, there is a lot of variation in gender inequality for countries with similar levels of trade openness. The six countries considered in the current study are also quite different in terms of trade openness and gender inequality (see discussion in the next chapter and Table 2.1). Many other countries with levels of trade openness that are close to them perform quite differently on gender inequality as can be seen in Fig. 1.1. There is thus no a priori reason to assume that more open economies will automatically guarantee better gender outcomes.

From a gender perspective, trade agreements have been criticized because they are evaluated in terms of economic benefit and market-based criteria that ignore social, and especially gender, imbalances. There have thus been attempts in recent years to mainstream gender in trade, through advocacy and awareness campaigns, the development of global networks, new research and demands for concrete policies and approaches. For example, the Buenos Aires Declaration on Trade and Women's Economic Empowerment was adopted at the 11th WTO Ministerial Conference in December 2017 to increase women's participation in international trade and remove the barriers that they face. However, a draft WTO Ministerial Declaration on trade, gender equality and women's economic empowerment which was expected to be adopted at the 12th WTO Ministerial Conference in June 2022 has been put on indefinite hold. Possible reasons include the resistance of developing countries to a plurilateral (as opposed to multilateral) initiative, concerns about the introduction of labor-related conditionalities or the presence of Russia in the ongoing discussions (Dommen, 2022). It is unlikely, however, that this issue will

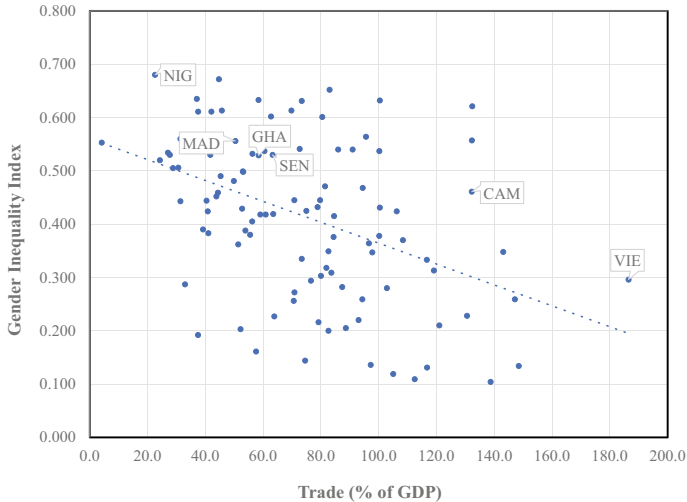


Fig. 1.1 Trade openness and gender inequality, 2021 (*Notes* CAM = Cambodia; GHA = Ghana; MAD = Madagascar; NIG = Nigeria; SEN = Senegal; VIE = Vietnam. *Source* Constructed using data from UNDP and World Development Indicators Database, World Bank)

go away and one can expect the WTO work on trade and gender to continue.

1.2.1 Themes and Dynamics Related to Gender and Trade

Several papers and reports have argued that the equal economic participation of women is essential for achieving sustainable economic growth. For example, Kabeer (2012) argues that while formal, regular and paid work holds the greatest potential to transform women's lives, the segmentation of labor markets prevents the creation of decent jobs; thus, there is a need to focus on the factors that lead to different labor market outcomes along gender lines. In its flagship World Development Report, the World Bank (2012) characterized gender equality as smart economics: the removal of barriers that women face in education, in accessing economic opportunities and productive inputs leads to productivity gains. Improving the status of women leads to better development outcomes,

including through more inclusive and representative institutions (World Bank, 2012).

SMEs play an important role in driving growth and development and the number of women entrepreneurs has been increasing globally despite the different obstacles that women-owned businesses face. When women work, they invest most of their earnings back into their families. In the case of SMEs that engage in international trade, addressing gender equality can improve a country's competitiveness; conversely, gender inequality contributes to economic inefficiency (World Bank, 2012). Unfortunately, trade agreements and trade patterns are not gender neutral. Their differential impacts on men and women come from biases in a country's society with respect to culture, rights and entitlements, education and skills, employment opportunities, access to resources, time obligations, and household and care responsibilities that often favour men. At the same time, not all women (or men) will benefit equally from trade due to their different characteristics and contexts in which they operate.

Research that examines the impact of trade liberalization on gender equality has produced mixed results. Several papers (for example, Aguayo-Tellez et al. (2010) in the case of Mexico, Glick and Roubaud (2006) in the case of Madagascar, Pradhan (2006) in the case of India, and Siegmann (2006) in the case of South Asia) have found that trade liberalization helped to improve gender equality as a result of more employment and business opportunities for women. However, other studies have found such benefits to be minimal and lower than those accrued by men. For instance, Cockburn et al. (2009) use trade policy simulations in three African countries (Ghana, Senegal and Uganda) and find that trade liberalization increases the male–female wage gap for unskilled workers because men are more engaged in export-oriented sectors such as mining while women work more in import-competing sectors such as food crops. Other studies that find smaller benefits for women compared to men include Menon and van der Meulen (2009) in the case of Indian manufacturing, Arndt et al. (2006) in the case of Mozambique, and Berik et al. (2004) in the cases of Taiwan and Korea.⁸

In terms of an analytical framework, Fontana (2009) presents three levels—macro, meso and micro—to examine how trade and gender intersect to affect the lives of both men and women. First, trade liberalization causes distributional effects at the macro level. Specifically, trade and

specialization cause changes in production patterns that affect the distribution of employment and wages. If women are overrepresented in the sector that expands (that is, the sector is more female-intensive), this would narrow the gender gaps. However, the globalized economy is also more prone to exogenous shocks and volatility, with implications for both job security and wage stability in more open economies. Second, at the meso level, trade liberalization in the form of tariff cuts reduces government revenue. For countries that are especially reliant on trade taxes and where government revenue is more limited, this can have significant impacts on infrastructure, the provision of social services (such as health and education) and broader development outcomes, which can in turn reinforce existing gender gaps. Third, at the micro level trade liberalization affects the prices of goods and services, and earned income, which in turn affects household incomes and gender dynamics (through control over time and resources) within the household. Ultimately, the gender impacts of trade can be positive or negative and will depend on various factors such as trade patterns, export and import competition across sectors, skill levels of male and female workers, employment opportunities for men and women across sectors, labor market policies, division of labor within households, socio-economic characteristics and the expected roles of men vs. women in specific cultural settings.

Evidence from a range of studies (see World Bank and World Trade Organization, 2015, 2018) clearly shows that when compared to men, women face specific constraints preventing them from taking advantage of opportunities that become available as a result of increased trade. These constraints include lower education and skill levels; household and family obligations; discrimination; lack of access to finance, information and markets. Focusing on Africa, Higgins (2012) discusses how women traders face more challenges when it comes to trade facilitation, infrastructure, physical security at border crossings, and logistics.⁹ Women are often employed in low wage sectors that conform with social norms, or in higher wage sectors that are dominated by men. Women-owned or women-led businesses tend to be smaller on average than male-owned or male-led businesses and female ownership is inversely related with size of the business (World Bank, 2012) in part because women are also expected to shoulder more household and family-related obligations. With less access to private transport, women rely much more than men on walking and public transport to get their goods to market, which means

they are disproportionately affected by poor road and transport infrastructure. Women in remote areas are even more disadvantaged when it comes to establishing linkages with regional and global supply chains (Kunaka, 2011). Trade facilitation, infrastructure and logistics initiatives could thus support women's economic empowerment by providing them with more opportunities to engage in trade (North–South Institute, 2012).

1.2.2 *Summary of Findings from Existing Research*

Drawing on findings from the literature, the impact of trade and trade liberalization on gender can thus be summarized thematically as follows.

Employment Effects

In part because of their larger presence in those sectors, and as predicted by standard trade models, women benefit the most from trade in countries that are abundant in unskilled labor and which have a comparative advantage in the production of basic manufactures. For example, earlier work by Wood (1991) shows that export growth, especially in garments and textiles, led to an increase in the demand for female labor in manufacturing in the global south, a trend that has continued to this day. Standing (1999) discusses the feminization of labor since the 1970s whereby insecure, low-paid and irregular employment typically associated with women has been expanding over time compared to male employment that is stable, unionized and regular. Increased employment of women in the manufacturing sector has been well documented in more recent studies, including in case studies of Export Processing Zones (EPZs) where much of export-oriented manufacturing takes place.¹⁰ However, the expansion of agricultural exports does not appear to be as favorable to women, with some exceptions such as the horticultural sector and agro-industry (UNCTAD, 2016). There is also some evidence that the expansion of exportable services is another growing source of employment for women (for example, information processing and financial services). In the end, whether trade leads to increased employment of women will likely vary across sectors, and it is thus important to understand why and under what circumstances this happens.

Earnings and Job Quality

While employment matters, the type of jobs created is equally important. Across the developing world, women constitute a disproportionate

percentage of workers in the informal sector, in low paid jobs and where working conditions (labor laws, social benefits, health insurance etc.) are inadequate. In regions such as Sub-Saharan Africa and South Asia, those numbers can be higher than 80 or 90%. For example, Bonnet et al. (2019) reports that the percentage of female workers that are informally employed (92%) in developing countries is substantially higher than the percentage of male workers (87%), and this is true in a majority (56%) of countries. The prospects for women taking on jobs with more responsibilities is often limited and they are thus overrepresented in certain job categories as well. Firms that engage in trade tend to be larger than domestic firms, they are more capital (and skill) intensive and pay higher wages. A more competitive environment that results from international trade should reduce (costly) discrimination against women; however, trade could also lead to employment segregation (see employment effects above) and reduce the bargaining power of women to obtain higher wages (Berik et al., 2004). This might explain why wage gaps remain significant, and even in countries that have seen rapid growth in exports with an important role for female labor. In fact, in examining the cases of Korea and Taiwan, Berik et al. (2004) found that openness did not lead to an improvement in women's relative economic status. The authors recommend the passing and enforcement of anti-discrimination legislation to ensure that the gains from globalization are shared more equally. The cross-country evidence does not yield a clear relationship between trade and gender and varies according to occupational skill levels (Oostendorp, 2004). Our own takeaway is that the evidence remains inconclusive and would benefit from more research.

Moving beyond wages, if skills are valued by firms that engage in international trade, it should create an incentive for women to upgrade their skills. Ultimately, higher wages, better working conditions, and higher skill levels would all contribute to the empowerment of women through jobs created by trading firms. Whether all this is true for SMEs that engage in trade is discussed in the next chapters of this book.

Household Dynamics

Trade, employment and earnings contribute to women's empowerment by improving their ability to contribute to the household and strengthen their bargaining power within the latter. However, these gains may be short-lived and of little comfort when women are also expected to perform most, when not all, tasks within the household, including raising

children and caring for the elderly. Such unpaid work is an additional burden that is felt even more by poorer women and those that do not receive support from other family members.

1.2.3 *Research Gaps*

Existing empirical evidence about the relationship between trade and gender is inconclusive and research in this area is hampered by a lack of gender disaggregated data at the firm level for comparisons across countries and regions. The lack of data is compounded by the fact that more women than men work in the informal sector across the developing world. In general, while there is much research on the domestic constraints that SMEs and women entrepreneurs face, comparatively we do not have sufficient information about the constraints that prevent women from taking advantage of trade opportunities and what the source of those constraints are across countries and regions. Also, existing analysis has tended to focus more on the manufacturing sector and related activities due to data availability and less so on agriculture and services. Most jobs created in developing (and developed) countries is by SMEs, and there are more and more SMEs across the developing world that employ women and are owned by women entrepreneurs. And yet, while their importance is recognized, the role that these SMEs play in international trade has not been examined systematically in the literature. Finally, in addition to the implications of GVCs for SME participation in trade, digitalisation can also lower the costs of trading and allow smaller companies to be part of the global economy. It is thus important to understanding how technology is being used by SMEs, and the technological challenges that they face.

1.3 RESEARCH QUESTIONS AND APPROACH

Based on the above review of the literature, and the research gaps identified, we examine the following questions in the next chapters of this book using the two-stage research design (survey data and qualitative analysis) described earlier: (1) Why—and under what circumstances—do some trade sectors create more jobs for women and others do not? (2) To what extent are the jobs created contributing to women’s economic empowerment? (3) What strategies and policies are needed to ensure these sectors work optimally? These questions reflect a real interest for how trade can

create employment for, and empower, women, and how trade can yield the maximum benefits for women. Conceptually, the two-stage research design is helpful because it allows researchers to make sense of contradictions between quantitative and qualitative information where they exist, and corroborate the findings from each approach. It also fosters a participatory approach across the research process, and ultimately provides a more nuanced and deeper understanding of a particular question or questions. It also made more sense to complement the survey data collected with qualitative analysis because of the various nuances that come with properly assessing women economic empowerment and that cannot be fully captured through survey or quantitative data.¹¹

As mentioned earlier, six countries—two (Cambodia and Vietnam) from Southeast Asia and four (Ghana, Madagascar, Senegal and Nigeria) from sub-Saharan Africa were examined for the current research project. They were chosen for both practical and conceptual reasons. On the one hand, they were countries that we were familiar with due to their inclusion in another research project conducted by the Trade Facilitation Office Canada. On the other, there were also interesting variations across the cases such as their population size, reliance on trade, export performance, and performance on gender. Their inclusion in the current project also ensured that two important developing regions were considered. Due to a lack of resources, we were unable to consider other developing regions such as Latin America and the Caribbean in the current study.

As we have already alluded to, SMEs contribute significantly to growth and employment around the world. It is worth reiterating that SMEs contribute significantly to job creation (about 60–70% of workers in the majority of countries) and growth across countries. In the African context, it is estimated that they employ 80% of the workforce in both the formal and informal sectors. The contribution to employment and growth is also significant across the Southeast Asia region but there is greater variation across countries. In Vietnam, large manufacturing firms play an important role but about 50% of employment is still by SMEs. However, as in much of sub-Saharan Africa, a large informal sector implies that the contribution of the SME sector is underestimated (OECD, 2021). In the case of Cambodia, it is estimated that the contribution of SMEs to employment is closer to 70%. By either hiring women or providing a space for women entrepreneurs, SMEs can create more opportunities for them and foster inclusion. Yet, we also know that most SMEs have a rather small

footprint in international trade when compared to their contributions to employment, production and growth.

1.3.1 *The Way Forward*

It is thus important for us to have a better understanding of why some SMEs decide to engage in international trade on the one hand, and the implications for women, and women empowerment, on the other. The rest of the book is organized as follows. In the next chapter, we present and discuss the findings from survey data that was collected across the six selected countries. We then discuss the findings of the qualitative analysis that was conducted for the 2 Southeast Asian cases and 4 African cases, in Chapters 3 and 4, respectively. The final chapter (Chapter 5) summarizes the findings and concludes with policy recommendations.¹²

NOTES

1. In Canada, SMEs are defined by number of employees, namely small businesses (1–99 employees) and medium-sized businesses (100–499 employees). Large businesses have 500 or more employees. Within the category of SMEs, one can also find many so-called microenterprises, defined as those with 4 employees or fewer. (Source: https://www.ic.gc.ca/cic/site/061.nsf/eng/h_03090.html#toc-02, last accessed on May 10, 2022.) Others, such as the International Finance Corporation of the World Bank Group define Micro, Small and Medium Enterprises (MSMEs) in terms of employees, assets, sales and loan size. However, for practical reasons, in this project we will use national definitions, while being mindful of comparability across countries.
2. UN Women defines women’s economic empowerment as “women’s ability to participate equally in existing markets; their access to and control over productive resources, access to decent work, control over their own time, lives and bodies; and increased voice, agency and meaningful participation in economic decision-making at all levels from the household to international institutions.” (see <https://www.unwomen.org/en/what-we-do/economic-empowerment/facts-and-figures>, accessed on May 15th, 2020.)
3. See <https://sdgs.un.org/goals> for more information about the SDGs. For SDG interlinkages, see the project implemented by the Institute for Global Environmental Strategies (IGES) at <https://sdginterlinkages.iges.jp/index.html>.
4. There is a distinction between women-owned (that is, owned by women by a certain percentage such as at least 51%) and women-led SMEs, where

women occupy decision-making levels (that is, various managerial roles). Many women-owned SMEs are also led by women but not all women-led SMEs are owned by women.

5. One of the objectives of the current research is to establish a Women in Trade (WIT) Knowledge Platform to serve as a tool to fill important gaps related to the collection, storage, and analysis of gender-disaggregated sector-specific trade and employment data. The Knowledge Platform is intended to contribute to developing local research capacity to carry out evidence-based research in Women in Trade, explicitly identifying and promoting best practices for increasing gender equality in trade by improving women's economic empowerment through job creation and contributing to sustainable and inclusive growth.
6. Data is from the World Bank. Since September 2022, the World Bank started using \$2.15 per day as the new extreme poverty line due to new purchasing power parities. About 674 million people were living below this new poverty line in September 2022, which would still amount to a global poverty rate of less than 10%. See: <https://blogs.worldbank.org/opendata/september-2022-global-poverty-update-world-bank-2017-ppps-and-new-data-india>.
7. This latest report also made a case for better data collection—especially in fragile and conflict states, and in relation to informality and gender—to inform research and analysis.
8. This relationship can also go the other way. For instance, Seguino (2000) has shown that wage inequality, namely lower wages for women have lowered unit labor costs and boosted exports, thus contributing to economic growth. In fact, according to her analysis, over the period 1975–1990, Asian economies where women were disadvantaged the most grew the fastest.
9. Research in this area tends to concentrate on the informal economy, in particular the challenges women cross-border traders face. It also shows up the gaps between the formal and informal sectors.
10. For example, the EPZ sector in Mauritius contributed to a significant expansion of female employment and the emancipation of women. However, EPZs have often come under scrutiny because of their low labor standards.
11. We thank Ariane Ryan, an inclusive economies advisor with World University Service of Canada, for her tremendous assistance in helping us design the survey, and framing qualitative questions around women economic empowerment.
12. The lead author for this chapter, and Chapters 2 and 5 is Yiagadeesen Samy. Jasmine Lal Fakmawii is the lead author for Chapter 3 and Adeniran Adedeji is the lead author for Chapter 4.

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Trade and Women's Economic Empowerment: Survey Results for SMEs Across Six Developing Countries

Abstract In this chapter, the authors present and discuss the survey data on trade and women's economic empowerment that was collected for this project in 2021–2022 from 610 SMEs across the six developing countries selected for the study, namely Cambodia, Ghana, Madagascar, Nigeria, Senegal and Vietnam. The chapter includes basic contextual country-level information about trade, development and gender equality in the selected countries. The discussion of the survey results includes a comparison with secondary data from World Bank Enterprise Surveys. The authors find that SMEs face various challenges that are often context-specific and recommend that policy options be tailored to address these differences. Women-owned SMEs across the six country cases face varying levels of both gender-related and more general constraints. Among the recommendations in this chapter is the need for more gender-disaggregated data to understand the difference between women-owned exporting and non-exporting SMEs.

Keywords Exports · SMEs · Survey · Trade · Women's economic empowerment · Women-owned SMEs

2.1 INTRODUCTION

This chapter presents and discusses the survey data on trade and women's economic empowerment that was collected from 610 SMEs spread across the six developing countries chosen for this study: Cambodia, Ghana, Madagascar, Nigeria, Senegal, and Vietnam. A copy of the survey questionnaire is included in the Appendix of this chapter. The survey was developed by Trade Facilitation Office Canada in consultation with Mekong Institute and the Centre for the Study of the Economies of Africa in 2021. It was administered by Mekong Institute and the Centre for the Study of the Economies of Africa in 2021–2022 across each of the six countries as follows: Cambodia and Vietnam by Mekong Institute; Ghana, Madagascar, Nigeria and Senegal by the Centre for the Study of the Economies of Africa. With a focus on trade and women's economic empowerment, the survey included a range of questions, namely: background information about the SMEs; sector of operation and products manufactured; production value; evolution of employment by categories and gender; trade-related questions such as whether the SME is exporting or not, the value of exports, export constraints including whether these constraints are more pronounced for female-owned SMEs, and the use of digital platforms by SMEs engaged in trade. Since the research for the current project took place during the global pandemic, the survey included questions about the impact of COVID-19 on the ability of SMEs to conduct their operations and engage in trade.

The rest of the chapter is organized as follows. The next section briefly presents some basic contextual country-level information about trade, development and gender equality across the six candidate countries, as well as information about the SMEs that were surveyed.¹ This is followed by an analysis of the survey results in Sect. 2.3. This section is the primary focus of the current chapter and includes a comparison of our survey results with secondary data from the most recent World Bank Enterprise Surveys.² The final section of the chapter summarizes our findings and offers some policy recommendations.

2.2 CONTEXT

As discussed in Chapter 1, the countries examined in the current project were chosen for both practical and conceptual reasons, and also to ensure that two important developing regions were included in our analysis. In

their examination of SME participation in Global Value Chains (GVCs) in Southeast Asia, Lopez Gonzalez et al. (2019) find that SMEs face various challenges (namely limited experience; lower productivity; lack of access to finance, skills, and technology). As a result, their participation in GVCs is lower when compared to larger firms. It is suggested that these SMEs would benefit from reduction in trade costs (through tariffs, trade agreements and trade facilitation), and from an enabling environment that allows them to build linkages with bigger firms or trade policy measures that would allow them to export indirectly or directly. Many of the problems mentioned in the Southeast Asia region are magnified in the African context (Beck & Cull, 2014; Endris & Kassegn, 2022; Muriithi, 2017). Lack of access to finance, insufficient infrastructure, and high trade costs act as barriers that prevent SMEs from being more engaged in trade. For example, the African Development Bank Group and African Export-Import Bank (2020) noted that the trade finance gap in Africa has contracted but remains high, and that a high share of SME applications for trade finance are rejected; from 2011 to 2019, the average trade finance gap for Africa was estimated at US\$91 billion. Many of the issues mentioned above are also more pronounced for women entrepreneurs and workers across the developing world.

In Table 2.1, we provide some basic contextual information for the six countries selected for this study. We observe significant variations across development, gender and trade indicators at the country level. Except for Madagascar, which is a low-income country, the other five countries are lower-middle income countries according to the World Bank's classification of countries.³ In terms of human development, Vietnam is the only "high" human development country while the others are either classified as "medium" or "low" (UNDP, 2022). Although both Nigeria and Senegal are lower-middle income countries, they are classified in the low human development category because of their weaker performance on health, which is measured by life expectancy, and knowledge, which is measured by expected and mean years of schooling (UNDP, 2022). Data from the UNDP Gender Development Index (GDI)⁴ indicates that Vietnam is the best performer followed by Madagascar, Cambodia and Ghana while the worst performers are Nigeria and Senegal. Only Vietnam is in the top grouping of countries for the GDI. Madagascar is an interesting case because it performs well on the GDI despite being a poor country. Most indicators related to gender equality and empowerment indicate that significant challenges remain in our sample of case-study

countries when it comes to achieving gender equality and women's empowerment. All of the six countries rank quite low on the Gender Inequality Index (GII),⁵ Vietnam being again an exception.

The countries are also quite different in terms of population size and trade openness. Among the four African countries, Nigeria stands out both in terms of its population and trade openness. As a large country, both its trade, and exports, to GDP ratios are lower than the other countries. However, crude oil exports, which is a major source of foreign exchange, account for a significant proportion of the country's exports. Taken together, the four African countries score relatively low on trade facilitation and indicators such as trade logistics,⁶ and they trade mostly with countries outside of their own region when compared to the two Southeast Asian countries. Most estimates of intra-African trade place it at less than 15% of total trade, even if informal cross-border trade is not accounted for.⁷ It should be noted that African women play a very important role in the trading of essential agricultural products and economic services across borders and yet the continent's trade potential is negatively affected by the different constraints that these women face.

In recent times, different programmes (such as The African Women in Business Initiative [AWIB] and Affirmative Finance Action for Women in Africa [AFAWA], both by the African Development Bank) have been created to reduce the gender inequality gap and promote the activities of women in trade. However, the impact of trade and trade policies on closing the gap, and the contribution of women, are still low, across the African continent. Women continue to face political, economic, social, technological, legal and environmental barriers. This outcome is partly due to several structural factors which include employer discrimination, gender norms, cultural barriers and lack of productive resources (OECD, 2021). Hence, it is essential that we investigate how these various factors play out and intersect with trade across different African countries. In South-East Asia, rapid economic growth has been accompanied by enhanced trade linkages, particularly through cross-border value chains. Although the female participation rate is high in both Cambodia and Vietnam, it still lags behind male participation in the labor market. Female participation rates in the workforce may be affected by the propensity to remain in the informal sector and part-time work due to caring responsibilities. The rate at which countries such as Cambodia and Vietnam are closing the gender wage gap, and the latter's variation between tradeable

Table 2.1 Country profiles, 2021, selected indicators

	<i>Cambodia</i>	<i>Vietnam</i>	<i>Ghana</i>	<i>Madagascar</i>	<i>Nigeria</i>	<i>Senegal</i>
Income Classification	Lower-middle income	Lower-middle income	Lower-middle income	Low income	Lower-middle income	Lower-middle income
Human Development	Medium	High	Medium	Low	Low	Low
Population (m)	16.6	97.5	32.8	28.5	213.4	16.9
Trade (% of GDP)	132.2	186.5	58.4	50.4	22.6	63.3
Exports (% of GDP)	64.6	93.2	29.9	21.0	10.7	22.3
Gender Development Index (GDI)	0.926 (3)	1.002 (1)	0.946 (3)	0.956 (2)	0.863 (5)	0.874 (5)
Gender Inequality Index (GII)	0.461 (116 th)	0.296 (71 st)	0.529 (130 th)	0.556 (143 rd)	0.680 (168 th)	0.530 (131 st)

Source World Bank World Development Indicators Database; UNDP (2022)

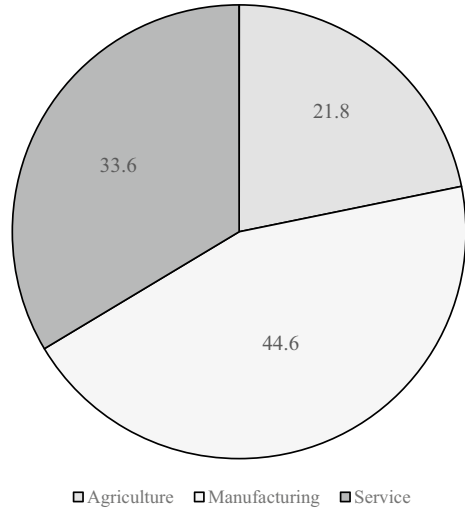
and non-tradeable sectors, makes the economic empowerment of women an interesting area worthy of further study.

As can be seen in Table 2.2, around 100 SMEs were surveyed in each country. The sample size is certainly not big when compared to the estimated numbers of SMEs in these countries, even when compared to typical sample sizes from the World Bank Enterprise Surveys. However, as can be seen in the Appendix, the survey was quite extensive and asked many questions, while ensuring to the extent possible sufficient representation across sectors and products. For instance, while many studies of SMEs tend to focus on manufacturing, we wanted to make sure that there was some representation from the agriculture and services sector across the six countries (see Table 2.2 and Fig. 2.1). In the case of Cambodia, we had significantly more representation from the services sector whereas in the case of Vietnam it was the manufacturing sector. More than 70% of the SMEs that were surveyed produce final products, started their operations in the last 10 to 15 years, and only a few have been around in earlier decades. In general, the sample of SMEs surveyed was fairly evenly split between women-owned and non-women-owned SMEs. Management was mostly, and slightly, dominated by men in the case of Nigeria and Senegal, respectively. In the other cases, it was dominated by women.

Table 2.2 SMEs surveyed, distribution by sector and products

	<i>Cambodia</i>	<i>Vietnam</i>	<i>Ghana</i>	<i>Madagascar</i>	<i>Nigeria</i>	<i>Senegal</i>	<i>Total</i>
# of SMEs	101	107	112	90	98	102	610
<i>Sector (%)</i>							
Agriculture	12.9	8.4	8.0	40.0	41.8	24.5	21.8
Manufacturing	26.7	71.0	54.5	38.9	35.7	37.3	44.6
Services	60.4	20.6	37.5	21.1	22.4	38.2	33.6
<i>Division of products</i>							
Primary	16	1	6	11	12	19	65
Intermediate	10	4	20	38	9	18	99
Final	75	102	86	41	77	65	446

Fig. 2.1 Overall sectoral distribution of SMEs surveyed (*Source* Constructed from Survey Data)



2.3 SURVEY RESULTS

This section analyses the survey data that was collected for this project. It first considers the favourability of various SME sectors to women-ownership, the categorical distribution of employees, and their wages and benefits. This is followed by a discussion of trade-related data, including a comparison between exporting and non-exporting SMEs. The use of technology and the impact of Covid-19 is then examined, and the section ends with a comparison of the survey results with secondary data from World Bank Enterprise Surveys.

2.3.1 *Favourability to Women-Ownership, Employee Distribution, Wages and Benefits*

When asked how they perceived the favourability of their sector of operation to women-owned SMEs (see question 104 in the Appendix), on a scale of 1 to 5, where 5 is more favourable, the average rating was 3.4. The highest rating was in Cambodia at 3.9, followed by Ghana at 3.5, and the lowest in Nigeria at 2.8. Across the two regions, the favourability rating was higher for Cambodia and Vietnam combined, compared to the four African countries. This is perhaps not surprising since women

entrepreneurs tend to face significant challenges, which are examined further in Chapter 4, across the African region. However, Vietnam's favourability rating is only marginally lower than some of the African countries. When examined by sector, the favourability towards women-owned SMEs is higher in the manufacturing sector, followed by services and then agriculture; in the case of products, there is a higher favourability for primary products and a lower favourability for intermediate ones. These findings confirm that women engaged in agriculture often face significant barriers even if they represent an important proportion of the labour force in that sector.

Our survey results also indicate that the distribution of employees in SMEs is more favourable to women in Cambodia, Senegal and Vietnam but more favourable to men in the case of Ghana, Madagascar and Nigeria. Ownership structures are, on the other hand, more tilted towards women when they are not equal. The same is true of management structures, except in the case of Nigeria and Senegal. Overall, we find that even if women represent a significant proportion of the labour force in SMEs, comparatively, ownership and management positions are occupied by a smaller proportion of women. At the sectoral level, the distribution of employees is almost equal in the service sector, but more men are employed in agriculture and manufacturing, which is most likely due to the nature of work. When we examined whether there were gender differences for the "type" of employees, we did not find any clear trends overall; there were very few exceptions, such as more women being employed for business support in Madagascar and Senegal, or more male workers and supervisors in the case of Nigeria, again likely due to the nature of work. While there are also no significant differences in salary by gender when we considered all the countries together, we observe differences on a country-by-country basis. For example, among the four African countries, male workers in Nigeria are paid more on average while it is the other way around for Ghana, Madagascar (slightly) and Senegal. In Cambodia and Vietnam, female workers are paid more on average than male workers. One important caveat to this is that we collected data on yearly average salary and are thus unable to determine if it could be a function of hours worked or not. Once we look beyond wages, we also find that almost 90% of SMEs that provide benefits (pensions, health insurance and leaves—such as paid maternity leave) to their employees provide the same level of benefits to both men and women. However, except in the

case of Cambodian SMEs, there are no government or regulatory incentives to hire women in the other countries, and female hiring decisions are largely based around productivity and technical skills. To complement these findings, qualitative survey responses for why women are hired (or not) to work in SMEs provided some interesting insights. The responses ranged from nature of work (which seems to be the overwhelming factor), to specific skills (such as attention to detail, punctuality, professionalism etc.), and in some cases the promotion of social and gender equality.

2.3.2 *Trade-Related Data*

About half of all the SMEs surveyed for the current study were engaged in exports but there was quite a bit of variation across countries, with Ghana and Madagascar at the lower end (22 and 31% respectively), and Nigeria and Senegal at much higher levels (88 and 87%), for the four African countries. So even if at the country-level Nigeria's trade, and exports, to GDP ratios are the lowest among the four African countries, the sample of Nigerian SMEs surveyed in the current study is dominated by exporting ones. In the case of Vietnam, more than half of the surveyed SMEs export their products while it is only around 11% in Cambodia's case. Surprisingly, when asked whether women-led SMEs encounter more difficulties in trade (see question 124.a in the Appendix), only 20% said yes overall, with the highest percentages in the case of Nigeria (39%) and Ghana (33%). Not a single respondent said yes in Madagascar's case. These responses were somewhat surprising (since only one in five SMEs said yes overall) given the extensive literature around barriers that female entrepreneurs face across the developing world. The two Southeast Asian countries—Cambodia and Vietnam—also had a fairly low positive response to this question at 21 and 9% respectively, even if in the case of Cambodia it was marginally higher than the overall average of 20%. Overall, and despite Madagascar being an outlier, women-led SMEs across the four African countries encounter more difficulties in trade than the two Southeast Asian countries.

Of the SMEs that export, there is usually a lag between the time they started operations and when they began to export. This indicates that at least initially most of the SMEs operate in their domestic markets, and that not all of them end up exporting their products. In terms of the decision to export or not, reasons cited included the nature of the business (costs of inputs, volume of production and price obtained for the

goods/services), the size of the local market, access to finance/capital, knowledge of external markets and support that is available (or not) from the government. When respondents mentioned that women-led SMEs might encounter more difficulties to trade, they cited cultural and social (often family-related) perceptions of women, family obligations, difficulties to obtain finance and collateral, as well as the relative strength and competitiveness of male-owned SMEs.

Respondents were also asked about the existence of contextual and/or structural and/or gender-related constraints that prevent their company from exporting and whether gender-related constraints were more important than other constraints (see questions 125 and 126 in the Appendix). When we cross-checked those responses with female-owned SMEs, most said—perhaps surprisingly—that gender was less of a factor in the case of Cambodia, Vietnam, Ghana and Madagascar. Gender constraints were highlighted more in the case of Nigeria and Senegal but even in those cases they were not always flagged as being the most important factor. Overall, there were more responses that characterized gender constraints as being less or equally important, as opposed to more important, than other constraints. This does not mean that gender is not important but that it is not seen as being the predominant factor. About 20% of all respondents also mentioned that women-led SMEs face technological challenges while almost 30% mentioned that trade-related information is difficult to find. Finally, many respondents indicated that the Covid-19 pandemic had a significant impact on their business, whether it was difficulties obtaining inputs, challenges related to maintaining production as a result of lockdowns, labour shortages and negative impacts on their profits. Almost 65% of respondents mentioned that the effects of the pandemic had persisted over time.

2.3.3 *Exporting vs. Non-exporting SMEs*

Using production and employment data for all the SMEs that we surveyed, we find that output per worker is significantly higher for exporting SMEs than that of non-exporting SMEs. This is in line with the broader literature that exporting improves firm productivity (see for example, De Loecker [2007]). When we examine data on salaries, we also find that average salaries for exporting SMEs are higher than non-exporting ones, even if there are no gender differences. It is worth again mentioning that we only had data on average salaries and not hours

worked. With this caveat, there is a tight connection between productivity and wages, which is an important reason for supporting those SMEs that are thinking of exporting their products since they tend to offer better salaries to both men and women. We also found that certain SME sectors are more important in terms of the value that they generate. Specifically, the value of exports in the last 5 years (from 2017 to 2021) is generally higher for the manufacturing sector, followed by agriculture. It is also always higher for primary products. However, service exports are quite low. On the other hand, the value of production in the last 5 years (from 2017 to 2021) is significantly higher for SMEs in the service sector, followed by agriculture and then manufacturing. So, although manufacturing SMEs are not generating the highest production value, they export more of their products than the other sectors.

The favorability of the sector of operation to women-owned SMEs is rated slightly higher in the case of manufacturing SMEs that export their products compared to non-exporting ones while in the case of services it is the other way around and more pronounced. In the case of agriculture, there is not a big difference (see Fig. 2.2). Overall, and statistically speaking, the differences are too small to be significant. However, when we compare the favorability ratings for exporting vs. non-exporting SMEs, we find that they are higher and statistically significant for non-exporting SMEs compared to exporting ones. In other words, we did not find any compelling evidence across the entire sample that women-owned SMEs were being treated more favorably, whether they exported or not.

At the country level, and for exporting SMEs in the four African countries, the favorability of women-owned companies is much lower in Nigeria, and higher in Madagascar. Cambodia has higher favorability of women-owned companies than in Vietnam, for exporting SMEs. Importantly, even if there is a higher favorability of women-owned companies (for example, manufacturing SMEs that export vs. those that do not), it does not always translate into better salaries or benefits for women compared to men. For example, the salaries of female workers in manufacturing SMEs that export their products is slightly higher than their male counterparts; in the case of agriculture, it is significantly higher. On the other hand, male workers earn more than female workers in service sector SMEs that engage in international trade. So, while there is a difference across sectors, when we examine average salaries across the board, both male and female workers earn higher wages in exporting SMEs compared to non-exporting ones. Similarly, a higher proportion of exporting SMEs

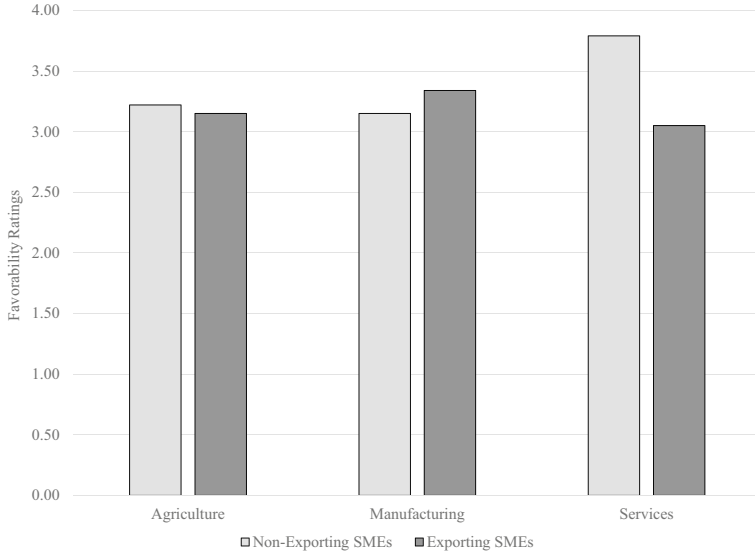


Fig. 2.2 Favorability to women-owned SMEs (*Source* Constructed from Survey Data)

provide benefits to their employees compared to non-exporting SMEs, even if in terms of employment there is not a big difference. At the product level, we find that more female employees are found in SMEs that export food products, which again confirms that the nature of work, more than deliberative policies to hire women, has an impact on the distribution of employees.

Another interesting finding from the survey data that we collected is that there is a positive relationship between exporting SMEs that are owned by women and their propensity to hire more women than men. We cannot ignore the possibility that the nature of the type of activities carried out by these women-owned SMEs may be the determining factor as to why more women than men are hired, instead of the fact that they are women-owned. However, if women-owned SMEs tend to hire more women in general, this carries implications for why supporting women-owned SMEs is important if the idea is to empower women by providing them more job opportunities. What we also find from the survey data

is that among exporting SMEs, an overwhelming majority of all respondents (almost 90%) report that employees—men and women—receive the same benefits. In other words, there are no added incentives to attract, and empower women further, into various exporting sectors.

The issue of measures or incentives matters more broadly because of the difficulties that women-owned or women-led companies face in trade. As mentioned above, on average about 20% of the SMEs surveyed indicated that women-owned or women-led companies face more difficulties than men-owned or men-led companies in trade. In Cambodia, the reasons cited included time constraints and difficulties reconciling work and family obligations, lack of support from husbands and the family, difficulties exercising authority over men in business dealings, and lack of business knowledge. In the case of Vietnam, similar reasons, including cultural norms, were cited. Across the African countries, the answers varied considerably. As mentioned earlier, in Madagascar, none of the SMEs surveyed mentioned that women-owned or women-led SMEs faced more difficulties in trade whereas in the case of Senegal it was 14%; in Ghana and Nigeria, it was one third and more than one third respectively. Reasons cited included culture, family obligations, lack of respect for women, and importantly lack of access to finance, which was mentioned several times. The lack of access to finance was also mentioned in the case of Nigeria whereas discrimination against women and difficulties reconciling work and family obligations often came up in the case of Senegal. At the sectoral level, the challenges faced by women-owned and women-led SMEs in trade are more prevalent in the agricultural sector.

When probed further, less than 20% of SMEs surveyed mentioned that there are contextual and/or structural and/or gender-related constraints at the country/region/sector levels that prevent them from increasing exports to destination markets. Participants were provided with examples of these constraints and many of the answers focused on contextual factors related to infrastructure and structural factors in the form of cumbersome regulations and lack of government support. In the case of Madagascar and Nigeria, for example, poor infrastructure and difficulties getting goods out of the country due to complicated customs procedures were often mentioned. Even if gender-related constraints such as lack of support or access to finance for women were sometimes cited, only about 10% of SMEs mentioned that gender-related constraints were more important than other constraints that prevented companies from exporting. The number was somewhat higher in Vietnam and Nigeria, when compared to the other four countries, and also higher in the agricultural sector.

2.3.4 *Technology Use and Covid-19*

The use of digital platforms for trade or cross-border ecommerce is quite high across the six countries. Cambodia tops the list at 66% but Vietnam was quite low at 46%, and so was Madagascar at 50%; others were higher than 60%. Fewer than 20% of the SMEs surveyed mentioned that women-led SMEs faced specific technological challenges. Lack of IT training and knowledge, as well as poor infrastructure in places such as Nigeria and Senegal, were given as examples of technological challenges. If there is one area where the responses were fairly consistent across countries, it was about the negative impact from the Covid-19 pandemic. However, whereas the effects of the pandemic were deemed to be overwhelmingly persistent over time in Ghana and Madagascar, and to a somewhat lesser extent in the case of Vietnam, they were much less so in Senegal and Nigeria and almost non-existent in the case of Cambodia. Respondents indicated the various ways in which the pandemic had affected their ability to trade, whether in terms of lower sales, incomes and profits, lack of customers, and supply chain challenges that made it difficult to both access inputs and send their goods overseas. Finally, around 30% of SMEs surveyed mentioned that it was difficult to find information about trade and exports to other countries. However, the number can be misleading as it applied to only three out of the six countries, namely Nigeria, Senegal and Vietnam. In the case of the other three countries (Cambodia, Ghana and Madagascar), it seems that other factors, rather than information constraints, play a more important role in the decision of SMEs to engage in trade.

2.3.5 *Comparison with Secondary Data*⁸

Enterprise surveys conducted by the World Bank constitute a good benchmark to compare some of our findings. These surveys are conducted across various countries and include both SMEs and large companies. A representative sample of firms from the private sector is surveyed, but agricultural firms are not considered. The sample size is also larger, and sometimes significantly larger than the survey data collected for the current research project. However, most (except in the case of Madagascar) are from a few years back and predate the Covid-19 pandemic, and their scope is not as broad as the survey that was conducted for the current project.

Let us first consider Cambodia and Vietnam. In the case of Cambodia, business owners and managers in 373 firms (309 of which were small and medium) were interviewed in 2016. Cambodia's regulatory environment is usually comparable to, or worse than, the average for the East Asia and Pacific region. The percentage of full-time female workers, top managers, female owners and female participation in ownership ranged from 44 to 57% and was generally higher than the East Asia and Pacific region. This number seems to align with our own survey results which found that the distribution of employees, ownership and management is more favorable to women or mostly even for Cambodia. Investments financed by Cambodian banks had declined from 4% in 2013 to 1% in 2016, which is significantly below that of comparator economies. Electricity was identified as a major constraint by only 6% of firms and its provision had become more reliable. Only 8% of firms identified customs and trade regulations as a major constraint while 14% of firms were exporting directly or indirectly.

In Vietnam's case, business owners and managers in 996 firms (718 of which were small and medium) were interviewed during the period 2014–2016. Government regulations (for example, days to obtain an operating license or construction-related permit, firms that identify tax rates as a major constraint) are better than the average for the East Asia and Pacific region. The percentage of firms with full-time female workers, top managers and female ownership, ranged from about 19 to 34% and is lower than for the East Asia and Pacific region. However, these numbers are lower than what we found in our survey. Less than 4% of firms identified electricity as a major constraint in the Enterprise Survey, and electricity provision in Vietnam is seen as more reliable than in other lower-middle income economies. Access to finance is considered as the biggest obstacle for Vietnamese firms. The percentage of firms that identified customs and trade regulations as a major constraint (7%) and the percentage of firms that export directly or indirectly (13%) are very similar to the numbers for Cambodia. While our survey results include other SME-related aspects, the favourability rating for women-owned SMEs is consistent with the gender indicators from the Enterprise Surveys for Cambodia and Vietnam. Access to finance, especially in the case of Cambodia is also consistent with what we found, but less so in the case of Vietnam. As discussed earlier, our results indicate that cultural and family obligations were cited more often than access to finance in the case of Vietnam. It is possible that the difference could be due to our primary focus on exporting firms only.

Let us now turn our attention to the most recent Enterprise Surveys for the four African countries considered in the current study. The survey of business owners and top managers for Ghana is from 2012–2014 and included 720 firms (which included 659 SMEs). Ghanaian government regulations were either worse or similar to the average for sub-Saharan Africa. Keeping in mind that the average female participation—as owners, managers or workers—is low when compared to East Asia and the Pacific, the numbers in the case of Ghana are reasonable. Nearly two-thirds of Ghanaian firms identified access to finance as a major constraint and half considered it as the biggest obstacle to their operations. Even if power supply has improved, 61% of firms identified electricity as a major constraint. At 17%, the percentage of firms exporting directly or indirectly is higher than the regional average and a quarter of firms identified customs and trade regulations as a major constraint.

Madagascar's latest Enterprise Survey was recently released in 2022 and included 402 firms (including 346 SMEs). As a low-income country, government regulations are reasonable, and female participation at both upper and lower levels of decision making for SMEs is strong, when compared to the sub-Saharan African average and other low-income countries. The percentage of small and medium firms that identify finance as a major constraint is 22 and 23%, respectively, which is significantly lower than the regional average. However, access to credit for small firms is almost non-existent, although medium-sized firms generally have good access to financial services. Infrastructure—whether electricity or water—is also good by international standards. The percentage of firms (6% for all firms; 3% and 10%, respectively, for small and medium firms) that export directly or indirectly is lower than the regional average and about 15% of small firms and 21% of medium firms identified customs and trade regulations as a major constraint. Just as in the other African countries considered in the current study, a higher percentage of firms (26%) chose access to finance as their biggest obstacle, followed by electricity and political stability (tied at 17%).

Nigeria's latest Enterprise Survey took place during 2014–2015 and included 2,676 firms (including 2,487 SMEs). This is reasonable given the size of the Nigerian economy and the number of SMEs that operate in the country, and is much higher than the number of SMEs that we surveyed. Only about 9% of firms identified business licensing and permits as a major constraint, compared to 16% for sub-Saharan Africa at the time. The percentages of full-time female workers, female owners or female

top managers all tend to be lower than or around the average for sub-Saharan Africa. A major obstacle for SMEs is access to finance; one-third of the firms surveyed identified this factor as a major constraint. Nearly half of the firms identified electricity, and 17% identified transportation as a major constraint. Customs and trade regulations were seen as a major constraint by 15% of the firms.

Last but not least, Senegal's Enterprise Survey of 601 firms (of which 554 are SMEs) was conducted in 2014–2015. While it takes more days than the average to obtain an operating license, only 7% (less than twice the average) identified business licensing and permits as a major constraint. Senegal's performance on gender indicators (ownership, management and workers) is below the average and more than half of the firms identified access to finance as a major constraint. Despite some improvement, almost half of the firms also identified electricity as a major constraint. 13% of the firms surveyed engaged in exports (directly or indirectly) and the same percentage responded that customs and trade regulations were a major constraint.

To complement the above discussion, Table 2.3 provides a summary of selected indicators from the World Bank Enterprise Surveys related to regulations, gender, finance and infrastructure. Though a bit dated for most countries (except for Madagascar), the findings from the Enterprise Surveys corroborate some of the findings from our own survey for the four African countries. Access to finance and reliable infrastructure clearly stand out. An important difference is that the percentage of exporting SMEs in our survey was much higher than in the Enterprise Surveys, but this was helpful in our case since we were more interested in the intersection between trade and women's economic empowerment. Unlike the Enterprise Surveys, we were also able to focus more on other aspects related to empowerment that go beyond income/salaries to those related to other work benefits as well as various (e.g. gender-related) constraints, including a differentiation between exporting and non-exporting SMEs.

2.4 CONCLUSIONS AND RECOMMENDATIONS

This chapter is a first step to answer the three questions that we set out to explore as part of this project. (1) Why—and under what circumstances—do some trade sectors create more jobs for women and others do not? (2) To what extent are the jobs created contributing to women's economic empowerment? (3) What strategies and policies are needed to

Table 2.3 Enterprise surveys, selected indicators

<i>Survey year</i>	<i>Cambodia</i>		<i>Vietnam</i>		<i>Ghana</i>		<i>Madagascar</i>		<i>Nigeria</i>		<i>Senegal</i>	
	<i>2016</i>	<i>2014-2016</i>	<i>2014-2016</i>	<i>2012-2014</i>	<i>2014-2022</i>	<i>2014-2015</i>	<i>2014-2015</i>	<i>2014-2015</i>	<i>2014-2015</i>	<i>2014-2015</i>	<i>2014-2015</i>	<i>2014-2015</i>
# of firms	373	996	729	402	2676	601						
• SMEs	309	718	659	346	2487	554						
Days to obtain import license	15.9	16.7	14.6	17	18.8	15.0						
% of firms identifying business licensing and permits as a major constraint	11.1	2.4	16.5	16.8	9.3	7.0						
% of firms with female participation in ownership	46.2	51.1	31.6	24.2	16.2	22.9						
% of firms identifying access to finance as a major constraint	16.9	10.8	62.2	26.2	33.1	51.6						
% of firms identifying electricity as a major constraint	6.1	3.7	61.2	17.3	48.4	48.2						

Source World Bank Enterprise Surveys, <https://www.enterprisesurveys.org/en/enterprisesurveys>

ensure these sectors work optimally? Below is a summary of the survey findings and our policy recommendations.

We found that the perceived favourability to women-owned SMEs as determined by survey respondents varies across the six countries, the two regions and sectors of operation. Context matters and SME sectors (including those in the same regions) do not face the same set of challenges across countries. For example, when examined further, the survey results revealed that the distribution of employees across the SMEs is more favourable to women in some countries than others. There is also no clear trend when we examine the different types of employees in these SMEs. In fact, the reasons most often cited for hiring women have more to do with their skills and very rarely did respondents mention that women were hired in an attempt to bridge gender gaps. In situations where these gaps are too big, especially because of social and cultural norms highlighted in the survey responses (for both trading and non-trading SMEs), we argue that policies could be developed to encourage the hiring of women. An interesting finding from the survey results is that women-owned exporting SMEs tend to hire more women than men. As we have pointed out, we cannot ignore the possibility that this may have to do with the nature of work. Together with the fact that output per worker, and salaries, are higher in exporting SMEs than in non-exporting SMEs, this indicates that women-owned exporting SMEs or those that are interested in exporting their products should be better supported. There is no guarantee that trade by exporting SMEs will lead to more jobs for women and hence women's economic empowerment. However, the jobs that are created as a result of trade tend to pay both men and women higher wages, and they come with better benefits, than in non-exporting SMEs. Also, gender differences appear to be more visible in salaries than other benefits when examined on a country-by-country basis.

One in five SMEs surveyed mentioned that women-led SMEs encounter more difficulties in trade, but here again there is more variation across countries. Women-led SMEs across the four African countries encounter more difficulties in trade than the two Southeast Asian countries. Gender-related constraints, such as lack of access to finance for women, while important in some cases (e.g. Nigeria and Senegal), was generally not seen as more important than other constraints such as government regulations and infrastructure. This was somewhat surprising since there is a broader literature about the various challenges that women entrepreneurs face across the developing world, including their ability to

engage in international trade. This result is reminiscent of various global surveys about the SDGs that typically do not rank SDG 5 on gender equality among the top SDGs. Instead, participants often choose the SDGs related to climate change, education and health among the top priorities.⁹

Access to information about trade and exports is clearly lacking in some cases more than others and is an area where more resources could also be invested. Both exporting and non-exporting SMEs mentioned that access to information was often lacking. Finally, it is clear that the Covid-19 pandemic had a significant and persistent impact on SMEs. Given some of the challenges that SMEs were facing even before the pandemic, it will be important that more support is provided to them in the short- to medium-term. The survey findings have implications for regional initiatives such as the African Continental Free Trade Area, whose objective is to increase the continent's global trade footprint and intra-country trade, and for achieving the objective of Agenda 2063 of inclusive and sustainable development. Given the importance of SMEs for growth, development and livelihoods, and the various challenges—market access information, access to finance and training, regulatory barriers, among others—that women entrepreneurs and workers face, both in the formal and informal sectors, a better understanding of these complex issues is important for effective policy action.

In terms of recommendations, the survey results clearly show that context matters and that there are important differences across regions, countries and sectors, and between exporting and non-exporting SMEs. It is thus paramount to continue collecting gender-disaggregated data for both exporting and non-exporting SMEs, and for more countries and regions. It would also be helpful to complement the findings in this chapter with qualitative analysis to understand what was behind some of the survey responses. For instance, not a single respondent from Madagascar mentioned that women-led SMEs encounter more difficulties in trade, and gender-related constraints were not always identified as being more important than government regulations or infrastructure. The next two chapters will thus attempt to understand what is behind these responses. Another recommendation is to implement policies that directly support women entrepreneurs, including those that are interested in exporting their products, given the benefits that they provide in terms of higher salaries to women (and men also). This is necessary since rarely do employers hire women to consciously address gender gaps resulting

from social and cultural constraints that prevent women from integrating the labor force. Policies should also address the trade-related (and gender-related) constraints that women-led SMEs encounter such as lack of access to finance or market access information, including how to improve the services offered by trade support organizations. Last but not least is the need to ensure that SMEs are supported in the short- to medium-term to facilitate their recovery from the pandemic.

APPENDIX

Survey Questionnaire

Section 1—Background Information

Country:

Respondent's Name: _____

Gender: Female/ Male

Respondent's Email Address: _____

Telephone no.: _____

Company Name: _____

Respondent's Position in the Company: _____

Company's Mailing Address: _____

Company's Website: _____

Data Collector's Name: _____

Date: _____

Start Time: _____

End Time: _____

100. What is the full name of your company? (Note to data collector: please record country of location) _____
102. What year did your company start its operations? _____
- 103.a In what sector is your company operating?

Options

- | | |
|---|---------------|
| 1 | Agriculture |
| 2 | Service |
| 3 | Manufacturing |
-

103.b What product(s) does your company manufacture? Or What does you company produce?

1. _____
2. _____
3. _____

103.c Are you selling final, intermediate or primary products?

Options

- | | |
|---|--------------|
| 0 | Primary |
| 1 | Intermediate |
| 2 | Final |
-

104. On a scale of 1 to 5, where 5 is more favourable, would you characterize your sector of operation as being more favourable to women-owned companies or not? (*Drop down on the online survey tool*)

Option

- 1
 - 2
 - 3
 - 4
 - 5
-

105. For the last five years, list the yearly value of production of your

company (in local currency or in USD).

<i>Year</i>	<i>Value in local currency or in USD</i>
2021	
2020	
2019	
2018	
2017	

Section 2—Employee

106.a How many male and female employees has your company employed in the following years:

<i>Today</i>	
<i>Gender</i>	<i>Number</i>
Women	
Men	

106.b How many male and female employees has your company employed in the following years:

<i>Two years ago</i>	
<i>Gender</i>	<i>Number</i>
Women	
Men	

107. How many of your current employees are regular?

Options

<i>Gender</i>	<i>Number</i>
---------------	---------------

Women
Men

108. How many of your current employees are casual?

Options

<i>Gender</i>	<i>Number</i>
---------------	---------------

Women
Men

109. Thinking about your ownership structure, how many people own the company?

Options

<i>Gender</i>	<i>Number</i>
---------------	---------------

Women
Men

110. Thinking about your management structure/team (i.e., individuals who plan and make decisions in the business and/or are in supervisory roles)—how many are women/men?

Options

<i>Gender</i>	<i>Number</i>
---------------	---------------

Women
Men

Section 3—Nature of Work, Wages and Benefits

111.a In your company, are there employment or social protection benefits provided to your employees?

Options

0	No
1	Yes

Examples of Social Protection: Pension, Health Insurance, Leaves (paid maternity leave)... etc.

111.b If yes, what employment or social protection benefits does your organization offer?

111.c If yes, do all employees receive the same benefits?

Options

0	No
1	Yes

111.d How are these benefits different for men and women?

112.a Please provide a breakdown of the following types of jobs in your company in terms of men and women:

<i>Worker</i>	<i>Number of persons in this category</i>
Gender	
Women	
Men	

112.b Please provide a breakdown of the following types of jobs in your company in terms of men and women:

Supervisor (Head of Dept. Directors/ Managers)

<i>Gender</i>	<i>Number of persons in this category</i>
---------------	---

Women

Men

112.c Please provide a breakdown of the following types of jobs in your company in terms of men and women:

Business support (accounting, marketing, HR, etc.)

<i>Gender</i>	<i>Number of persons in this category</i>
---------------	---

Women

Men

112.d Please provide a breakdown of the following types of jobs in your company in terms of men and women:

Senior management (non-production related)

<i>Gender</i>	<i>Number of persons in this category</i>
---------------	---

Women

Men

112.e Please provide a breakdown of the following types of jobs in your company in terms of men and women: Specify Other Positions _____

Other Positions

<i>Gender</i>	<i>Number of persons in this category</i>
---------------	---

Women

Men

113.a What is the yearly average salary for women and men THAT ARE WORKERS?

Currently

<i>Gender</i>	<i>Value in local currency</i>
---------------	--------------------------------

Women

Men

113.b What is the yearly average salary for women and men THAT ARE SUPERVISOR?

Currently

<i>Gender</i>	<i>Value in local currency</i>
---------------	--------------------------------

Women

Men

113.c What is the yearly average salary for women and men THAT ARE BUSINESS SUPPORT (ACCOUNTING, MARKETING, HR, ETC)?

Currently

<i>Gender</i>	<i>Value in local currency or USD</i>
---------------	---------------------------------------

Women

Men

113.d What is the yearly average salary for women and men THAT ARE SENIOR MANAGEMENT (NON-PRODUCTION RELATED)?

Currently

<i>Gender</i>	<i>Value in local currency or USD</i>
---------------	---------------------------------------

Women

Men

113.e What is the yearly average salary for women and men THAT ARE OTHERS?

Please Specify Others: _____

Currently

Gender

Value in local currency or USD

Women
Men

113.f What is the yearly average salary for women and men THAT ARE WORKERS?

Two years ago

Gender

Value in local currency or USD

Women
Men

113.g What is the yearly average salary for women and men THAT ARE SUPERVISOR?

Two years ago

Gender

Value in local currency or USD

Women
Men

113.h What is the yearly average salary for women and men THAT ARE BUSINESS SUPPORT (ACCOUNTING, MARKETING, HR, ETC) ?

Two years ago

Gender *Value in local currency or USD*

Women

Men

113.i What is the yearly average salary for women and men THAT ARE SENIOR MANAGEMENT (NON-PRODUCTION RELATED)?

Two years ago

Gender *Value in local currency or USD*

Women

Men

113.j What is the yearly average salary for women and men THAT ARE OTHERS?

Please Specify Others: _____

Two years ago

Gender *Value in local currency or USD*

Women

Men

114.a Does your company hire specific groups based on specific skills being sought after?

Options

0	No
1	Yes

114.b If so, what specific skills are you looking for when hiring female employees?

Options

- | | |
|---|-------------------------|
| 1 | better productivity |
| 2 | leadership qualities |
| 3 | better technical skills |
| 4 | Others |
-

115.a Are there government/regulatory incentives for hiring women rather than men for different job positions?

Options

- | | |
|---|-----|
| 0 | No |
| 1 | Yes |
-

115.b If yes, please explain.

116.a Are there government/regulatory disincentives for hiring women rather than men in different job positions?

Options

- | | |
|---|-----|
| 0 | No |
| 1 | Yes |
-

116.b If yes, please explain: _____

117. Are there any other reasons why you would choose to hire a woman rather than a man? _____

118. Are there any other reasons why you would choose to not hire a woman rather than a man? _____

Section 4—Trade-Related Questions

119.a Does your company engage in exports?

Hint: If no, then skip to 120.a

Options

0	No
1	Yes

119.b What year did your company start exporting? _____

119.c What are the main countries you are exporting to?

Hint: Please specify all the countries you export to

Africa: _____

_____ Other Regions: _____

120.a Do you work with ‘subcontractors’ or ‘agents’ to market and sell your products?

Options

0	No
1	Yes

Hint: Some form of middlemen involved in the international trade.

120.b If yes, Please specify: _____

121. What was your main motivation for exporting your products as opposed to selling locally?

122. For the last five years, list the yearly value of exports (in local currency ₦).

<i>Year</i>	<i>Value in ₦</i>
2021	
2020	
2019	
2018	
2017	

123.a If you are not currently exporting, why is that the case?

Hint: Relevant on No 119.a

123.b What are the main constraints that prevent you from exporting?

123.c What are some of the factors or incentives that would encourage you to export?

124.a In your opinion, do women-led SMEs/women-owned SMEs encounter more difficulties than men-led SMEs/men-owned SMEs in trade?

<i>Options</i>	
0	No
1	Yes

124.b If yes, please explain and provide examples.

125.a In your opinion, are there contextual and/or structural and/or gender-related constraints* at the country/region/sector levels that prevent your company from increasing exports to destination markets?

Hints: Contextual constraints could be infrastructure, information, product standards/quality; structural constraints could be government procedures and regulations, business environment, absence of capacity development; gender-related constraints could be lack of support for women-led businesses, lack of access to finance for women.

Options

0	No
1	Yes

125.b If yes, please explain and provide examples.

126. Do you think that gender-related constraints are _____ as other constraints that prevent your company from exporting?

Options

0	less important
1	more important
2	equally important

127.a Does your company use digital platforms for trade or cross-border ecommerce?

Options

- | | |
|---|-----|
| 0 | No |
| 1 | Yes |
-

127.b If yes, which digital platforms does your company use?

128.a Do you think that women-led SMEs face specific technological challenges?

Options

- | | |
|---|-----|
| 0 | No |
| 1 | Yes |
-

128.b If yes, can you provide examples?

129.a What have been the effects of external shocks such as COVID-19 on your company?

129.b Have these effects persisted over time?

Options

- | | |
|---|-----|
| 0 | No |
| 1 | Yes |
-

129.c How has COVID-19 affected your company's ability to trade?

130. If you need information about trade and exports to other countries, where and how do you obtain them?

130.a Are there challenges in obtaining this information?

Options

0	No
1	Yes

If yes, please state the challenges:

NOTES

1. Additional contextual information is presented in Chapters 3 and 4.
2. For more information about World Bank Enterprise Surveys, see: <https://www.enterprisesurveys.org/en/enterprisesurveys>.
3. The World Bank classification of countries is available at: <https://datahelppdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>.
4. To measure gender gaps in human development achievements, the GDI considers disparities between women and men using the same dimensions—health, knowledge and living standards—as the Human Development Index (HDI). See: <https://hdr.undp.org/gender-development-index#/indicies/GDI>.
5. The GII measures gender disparities in reproductive health, empowerment and the labor market. See: <https://hdr.undp.org/data-center/thematic-composite-indices/gender-inequality-index#/indicies/GII>.
6. See the Trade Facilitation Indicators 2022 edition from the OECD at: <http://compareyourcountry.org/trade-facilitation>.

7. See, for example: <https://unctad.org/news/blog-new-opportunities-accelerating-pan-african-trade>.
8. This section draws from findings of Enterprise Surveys conducted by the World Bank (see also endnote 2).
9. See for example: <https://www.convergences.org/en/global-survey-health-education-and-climate-action-selected-as-top-priorities/> (Accessed on November 6, 2022).

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Trade and Women's Economic Empowerment: Qualitative Analysis of SMEs from Cambodia and Vietnam

Abstract This chapter explores opportunities for, and barriers against, an inclusive trade environment for women from SMEs in export-oriented sectors in Cambodia and Vietnam. Despite trade's substantial contribution to increasing women's labor force participation in these two nations, opportunities to diversify jobs, skills, businesses, and markets remain important gaps to address. Not only are women entrepreneurs overrepresented in micro and small enterprises, they are also crowded in a few specific industries where market saturation often limits their ability to scale up and compete in international markets. Similarly, women workers engaged in trade are concentrated in low-paying, low-skilled jobs, while often trapped in low value-added manufacturing sectors. Drawing on qualitative analysis, this chapter uncovers the underlying reasons behind these limitations and then puts forward a range of policy recommendations, including ways to promote women's inclusion in male-dominated sectors and removing barriers to entry in the global market. Some of these include gender-mainstreaming trade-related policies, trade finance, industry-specific business training designs, and vocational skill training programs that shift from traditional gender-stereotyped training courses to technological and digital training for women and girls.

Keywords Cambodia · Trade · Vietnam · Womens economic empowerment

3.1 INTRODUCTION

Women play an increasingly important role in the global economy, yet they lag behind their male counterparts when it comes to labor force participation, and this is a missed opportunity for countries such as Cambodia and Vietnam that are still climbing the ladder of development. Many women entrepreneurs still face limitations in equal access to economic opportunities and institutional support. When their products, be it goods or services, are no longer aligned with domestic market demand or when their domestic market shares decrease due to intense competition from market saturation, they are often forced to seek out regional and international markets to thrive economically. However, women-owned businesses in trade sectors in Cambodia and Vietnam are mainly Micro, Small & Medium Enterprises (MSMEs), while the larger exporting companies are dominated by males and foreigners. In other words, women-led businesses are much smaller in scale, do not produce enough or have the required capacity to compete in, nor penetrate, international markets. Women-led businesses are also clustered around specific industries (for example, retail, textiles, and handicrafts), and are frequently linked with ‘necessity-driven’ firms rather than stable or growth-oriented enterprises.

In both countries, lower value-added manufacturing sectors such as garment and footwear account for the majority of women’s labor force participation. In higher value-added manufacturing, such as machinery, electrical parts, and automotive manufacturing, women’s participation rate is insignificant compared to men. So, there is a trend of female employees crowding into the low-paying, low-skill, and low value-added sectors versus the high value-added sectors where male workers dominate. Similar disparities can be seen in the size of SMEs and sector in which they specialize. There are significant disparities in the size and number of female-led enterprises in both the SME and corporate sectors. Female-led firms, when they export, tend to be concentrated in the apparel, handicraft, and fast-moving consumer goods (FMCG) retail sectors. However, as we saw in Chapter 2, despite facing various challenges, women-led businesses create a virtuous spiral as they often hire more women in their businesses.

The current chapter aims to take a deeper dive into the key findings from the survey results of Chapter 2 by conducting a qualitative analysis of the relationship between trade and women’s economic empowerment in

the case of Cambodia and Vietnam. Its goal is to understand why specific trade sectors and strategies are more conducive to women's economic empowerment and why others are not. To achieve this objective, the research focused on the following three broad research questions, which were also considered when collecting survey data on SMEs (see Chapters 1 and 2): (1) Why—and under what circumstances—do some trade sectors create more jobs for women than others? (2) To what extent are the jobs created contributing to women's economic empowerment? (3) What strategies and policies are needed to ensure these sectors work optimally?

The rest of the chapter is organized as follows. The next section briefly presents the research design, while Sect. 3.3 presents more contextual information about the cases of Cambodia and Vietnam, building on what was presented in the previous chapter. Section 3.4 presents the results of the qualitative analysis that was undertaken. Section 3.5 concludes with key recommendations.

3.2 RESEARCH DESIGN

Tailored questionnaires for focus group discussions (FGDs), key informant interviews (KIIs), and in-depth interviews (IDIs) were developed to cater to three different segments of the sample pool under investigation: women business leaders, women factory workers, and representatives from trade-supporting agencies.

The research team adopted an iterative approach throughout the implementation of the primary research, whereby refinements were made to the methodology based on additional information or developments that came to light during fieldwork. Based on the preliminary findings of the quantitative survey, the multistakeholder workshops from Cambodia and Vietnam provided feedback on the qualitative research methodology in order to fill the survey data gaps. Moreover, the research team made further adjustments to the research tools after conducting pilot testing with a few respondents. This ensured that the data collection tools were fully appropriate for capturing the information that the research was seeking.

The research team traveled to Cambodia and Vietnam and visited the factories and offices of the respondents to obtain in-depth insights on trade and women's economic empowerment. The team reached out to trade promotion agencies, women's entrepreneurship associations, and

trade unions to assist in recruiting participants for FGDs, KIIs, and IDIs. The qualitative research plan ensured the representation of participants from exporting women-led/women-owned SMEs from different trade sectors.

For the FGDs, there were a total of 41 participants that were male and female employees from different types of export-oriented factories and companies to understand the employment situation of women working in the export-oriented trade sectors. For KIIs, a total of 4 informants from women’s entrepreneurship associations and trade support agencies were interviewed. KIIs explored the overall situation of women in trade sectors as well as validate findings from existing literature. Regarding the one-on-one IDIs with women entrepreneurs, a total of 25 IDIs were conducted to understand the perspectives of women as employers in exporting sectors, and to get insights into their overall entrepreneurship experience (Fig. 3.1). The research team carefully analyzed all of the information and data collected from both primary and secondary sources. For any unclear or contradictory information, the team continuously sought clarifications from interviewees to ensure the credibility and validity of the information presented. The research team also sought constant feedback from TFO Canada and IDRC offices.



Fig. 3.1 Research approach

3.3 CONTEXT

The Southeast Asian region is an economic powerhouse characterized by rapid economic growth and enhanced trade linkages, particularly through cross-border value chains (World Bank, 2020). The role of women has been recognized due to their prominence in the textile and garment industry as informal traders and retailers (Asian Development Bank 2013, 2015; World Bank, 2017) and reflected in recent free trade agreements such as the Regional Comprehensive Economic Partnership (RCEP). The female labor participation rate in both Cambodia and Vietnam is high but still lags behind that of male participation. This gender gap in the workforce may be affected by the propensity of women to remain in the informal sector and part-time work because of their caring responsibilities and traditional gender role stereotypes.

The rise of trade as a component of overall economic activity is typically accompanied by a rise in wages and salaries. Workers employed in the formal sector benefit from salary adjustments to a greater extent than informal sector workers. Participation rates in the formal sector remain low for both Cambodia and Vietnam at less than 50 percent (for both men and women) even if they are higher than the regional average. In general, wages accrue faster to those working in the tradeable sector, the most dynamic of which is manufacturing, providing a slight advantage to Vietnam in terms of closing the salary gap over time. The technical skills of women in Cambodia may constrain their ability to participate in highly tradeable sectors in high management positions because the number of women with higher education in Cambodia lags well behind that of Vietnam (Global Innovation Index, 2022). Agriculture, which employs one-third of the workforce in both countries, experiences relatively slower wage growth.

3.3.1 *Cambodia*

Cambodia's GDP grew at an average annual pace of 7.7 percent between 1998 and 2019, making it one of the world's fastest-growing economies. However, in 2020, the COVID-19 situation had a detrimental impact on three major areas of Cambodia's economy: tourism, manufactured exports, and construction, which together accounted for more than 70 percent of the country's GDP and produced 39 percent of the total paid employment in 2019. The GDP growth rate contracted to 3.1 percent in

2020, its worst performance since 1994. Cambodia underwent a substantial economic transformation in the two decades before the COVID-19 pandemic, achieving a lower middle-income level in 2015, and it aspires to reach upper middle-income status by 2030.

Export Performance

Cambodia's openness to trade has expanded at a steady rate. After joining the WTO in 2004, Cambodia used its preferential arrangements in textiles to carve out an export niche in the production of low-end garments and textiles. This sector became the basis of Cambodia's export linkages and created a nascent manufacturing sector. Similar preferential trade agreements with the EU allowed Cambodia to expand its agricultural exports. Although Cambodia's economic linkages into the Southeast Asian region have traditionally been filtered through the political relationships with neighboring Thailand and Vietnam, a 'balance of trade' incentive and strategic investments from bilateral donors fostered the growth of trade to the major markets of the US and EU, which have gradually become Cambodia's major export destinations. The evolution of sophisticated cross-border value chains has allowed Cambodia to rapidly diversify into new exports and create more stable linkages within the Mekong region, while also providing incentives and opportunities for increased trade with the US and EU. Despite the increased sophistication and diversity of Cambodia's export mix, the garment, textile, and footwear industries still play a major role, that typically favors female employment, meaning that in Cambodia's case there is a distinct gender component to manufacturing exports.

Cambodia's trade balance has remained slightly negative for the past few years. Exports are primarily driven by the garment sector owing to lower labor costs. The government recently made progress on G2G new trade deals to boost agricultural exports. For example, major agri-food products like cassava and mangoes are gaining export momentum. In 2019, Cambodia ranked as the 10th rice exporter in the world. Moreover, the Cambodia-China FTA (CCFTA) is expected to enable duty-free access to the Chinese market for Cambodia's agricultural products. Cambodia has an FTA with Korea, is a member of the RCEP, and is in talks with India, New Zealand, Russia, and other countries.

Labor Force Participation

According to the Cambodia Socio-Economic Survey (2019–20), the female labor force participation rate in Cambodia was 84 percent in 2019, higher than its neighboring countries. However, women remain overrepresented in low-paid and low-skilled jobs in informal sectors. Around 90 percent of the workforce in the garment sector is female. Managerial positions are dominated by men, whereas there are more women as service and sales workers. The agricultural sector, the government's current priority sector for export, employs about 40% of the country's total labor force whereas women's share was 45.7% in 2015 (National Institute of Statistics, 2019–2020). General challenges women often face in the labor market include the domestic work and care burden; limited access to economic resources, including credit and financial services; inadequate education and training programs; lack of government services; disadvantages in social protection coverage; and pervasive discrimination in most aspects of employment and work (Asian Development Bank, 2013).

Small and Medium Enterprises (SMEs)

Women manage the majority of enterprises, at 65% of total establishments, with majority being micro—the majority of which are unregistered/informal. Women lead or own very few small or medium-sized establishments. More than half (54%) of the people engaged in MSMEs are female (Cambodia Trade Integration Strategy, 2019–2023). SMEs face several challenges, including access to markets, low productivity, a lack of qualified and skilled labor, lack of innovation, and a complicated and relatively costly registration procedure (International Finance Corporation, 2019).

3.3.2 Vietnam

Vietnam's GDP per capita has increased more than three times in the last two decades and the country transitioned from one of the poorest to a middle-income economy in less than a generation. The economy has grown at an average of 6.3 percent annually since 2000, rapidly shifting from a low-income country to a lower middle-income country, as per the World Bank's classification. Absolute poverty rates have declined significantly, and infrastructure services have become much more accessible. However, a number of domestic and external challenges remain present, such as the lack of growth in key export markets and continued disruption

of global supply chains, prolonged labor shortages, the threat of rising inflation, and growing financial sector vulnerabilities.

Export Performance

Vietnam's ranking of 39 out of more than 160 countries on the World Bank's trade facilitation index puts it well ahead of the regional average and neighboring economies. The country went through a process of trade liberalization in the 1980s and 1990s as part of its reform policies or Doi Moi. The country now has a vigorous export sector and has exhibited export success across a diverse range of products, including light manufacturing, agriculture, fisheries and services. Vietnam's major export partners are the US, China, Japan, South Korea and Hong Kong-China, with exports of small electrical goods manufacturing and textiles featuring strongly in the overall export mix.

Vietnam's trade balance has remained positive for the past few years, and it has used its participation in free trade agreements, beyond ASEAN, as an instrument to ensure increased economic power and financial security. Recent examples include the EVFTA (European Union–Vietnam Free Trade Agreement), CPTPP (Comprehensive and Progressive Agreement for Trans-Pacific Partnership) and the UKVFTA (UK-Vietnam free trade agreement).

Vietnam's manufacturing sector accounted for 25 percent of the country's total GDP in 2021 (Vietnam Briefing News, 2022). As Vietnam transforms into a global manufacturing hub, it has emerged as an effective relocation destination due to the trend towards offshoring from China and nearshoring closer to Korean value chains (also known as the China+1 strategy). Vietnam is well integrated into regional value chains. Goods that are assembled in other parts of the Mekong region can be easily transported into special economic zones and dry ports situated along the Vietnamese border, as well as port and shipping facilities along the Vietnamese coast. Vietnam's investment in market access infrastructure, including port facilities and roads, give it a strong position in regional supply chains.

Labor Force Participation

The Labor Force Participation rate in Vietnam is higher than in all the members of ASEAN. Vietnam has one of the highest female labor-force participation rates in the world, even if it is still lower compared to men. Moreover, the country's economic development is mainly driven

by labor-intensive industries with low wages. The high adult literacy rate contributes to the high labor force participation rate in Vietnam. Women mostly work in low-paying jobs in export-dependent factories, and they account for 80 percent labor in the textile and garment industry. According to Vietnam Labor Force Survey 2019 by the General Statistics Office (GSO), the gender pay gap stands at 13.7% favoring men.

Small and Medium-Sized Enterprises (SMEs)

SMEs are vital to Vietnam's economic growth, and within the SME sector (excluding micro-size enterprises), women own 24 percent of the total active enterprises, making up a significant part of the overall SME contribution to the national economy. Women face challenges in accessing credit loans, tax filing, technical skills, market expansion, access to legal advice, human resource development, and transforming family businesses into enterprises (UNESCAP, 2019).

3.3.3 Comparative Analysis

Due to their geographical proximity, Cambodia and Vietnam share similar cultural norms and traditional gender practices. Hence, the gender-specific barriers and economic contributions of women's employment in trade sectors are found to be similar in the two countries. For example, traditional gender-role stereotypes still play a significant role in the job distribution between men and women in the workplace, market, government structure, and societies. As a result, the constraints that women face in accessing economic resources are similar as well.

In both countries, informality can provide an upper limit on growth. Informality is a function of size: micro-SMEs are typically family-run ventures, sometimes operating from a storefront at the family home. These enterprises lack formal registration, even at the village or commune level. Their size and informality place constraints on the ability of these businesses to access the SME capital market, formulate business plans, or link onto the value chains that have become the foundation of trade and growth across Southeast Asia. In both countries, the explicit inclusion of provisions for women-led exporting firms still remains a necessary gap to address, and there is still a disconnect between women entrepreneurs and policymakers when it comes to information sharing. The majority of women-led enterprises are still not aware of the existing policies or trade opportunities they could tap into in both countries. Similarly, many

female workers and employees lack the necessary information regarding their labor rights and protection mechanisms.

The key differences between the two countries are around the extent to which government policies are put in place to support women as both employees and employers, with Vietnam performing slightly better. For example, some of the gender-smart policies of Vietnam include the integration of gender into Free Trade Agreements, plans for gender equality in school curricula, and government's tax and loan incentives for women employment and women-owned SMEs. It should be noted, however, that these policies have not yet been fully implemented in practice. On the other hand, Cambodia is focusing on promoting basic rights of women and educating the public on gender issues, as well as the introduction and enforcement of anti-discrimination legislation to remove cultural, social, and institutional barriers.

Vietnam's economic growth strategy is driven by a more balanced and diversified portfolio of exports with a slightly higher level of women's employment in other traditionally male-dominated sectors such as IT and digital-oriented industries, as well as professional services sectors that require a higher level of skills and education. The increasing demand for labour in STEM sectors also mean that the number of women receiving STEM-related education and training, and working in the relevant industries has been increasing. Similarly, Cambodia has also recently initiated its strategic plan to diversify its light manufacturing towards higher-value products, such as electrical appliances. For this reason, progress has been made in providing technical and vocational training courses in order to address the shortage of skilled labor, however with little participation of women in the training. Overall, both countries still have a lower number of women employees compared to men employees in high value-added export-oriented industries.

There are also marked differences between the educational opportunities available to women in Cambodia and Vietnam that have important ramifications for job outcomes. In Vietnam, where the economy is more advanced and institutions are better established, women are better represented in management positions. In Cambodia, on the other hand, women feature strongly as the owners of micro and small-level businesses while they are largely absent from ownership and management positions at the median and corporate level.

3.4 KEY FINDINGS FROM QUALITATIVE ANALYSIS

The qualitative analysis was conducted within the scope of the three key research questions: (1) Why—and under what circumstances—do some trade sectors create more jobs for women and others do not? (2) To what extent are the jobs created contributing to women's economic empowerment? (3) What strategies and policies are needed to ensure these sectors work optimally?

3.4.1 Modalities and Conditions for Trade Sectors to Create Jobs for Women

Cambodia

Cambodia's export-driven development strategy has centered primarily on garment and footwear manufacturing, which account for roughly 70 percent of the country's exports. A cheap and abundant labor force of young women make up 90 percent of employees and give Cambodia's manufacturing sector a competitive advantage (Asian Development Bank, 2013). Moreover, our review of the literature also shows that the overall integration of gender perspectives into Cambodia's economic development strategies has made some progress. On the other hand, according to the survey data collected for this project and other data sources, only a small proportion of women-owned enterprises engage in export activities and are highly concentrated in certain specific sectors. To this end, the qualitative research explored the challenges and limitations that both female employers and employees face in trade, especially in export-oriented sectors.

- Traditional Gender Role Distributions and Stereotypes

Given that the majority of female employment within the export-oriented sectors come from textiles and apparel industries in Cambodia, we examined where and why exactly women are involved in the value chains. Women are typically employed in various production stages of clothing and footwear manufacturing, namely pattern making, embroidery and screen printing, thread cutting, sewing and tailoring, spot cleaning, buttoning, and packing. Both employers and employees commonly believe that women are better at performing such activities. At the same time, men are less likely to engage in occupations that require

such activities, because they can earn more from other jobs, and some even dislike these tasks. This may be linked to how traditional gender roles are distributed between men and women in society. Therefore, as can be seen in the following quotes from our FGDs, traditional gender norms contribute to women employees being significantly overcrowded in the textile and apparel industries:

Most factories hire women, and it's rare to see men working in garment factories. In our factory, men work at the knitting tables. They cut the hard fabric to the right length and size, and then send it to the tailoring tables where women work. (A female garment worker)

No, I don't want to do the sewing job that the women at our clothing factory do. It's boring and needs to be paid close attention to. No other man wants to work in the sewing and tailoring section. (A male garment/textile worker)

Societal expectations also often influence the experiences of women entrepreneurs. Married women interviewed often reported having only one chance with family support whereas men are naturally expected to persist until they succeed or decide to give up on their own. The internalization of women as a caregiver or housewife is still deeply rooted and ingrained in the society. This places increased pressure on women to succeed in their business and in turn, they are less aggressive than their male counterparts when it comes to taking business or financial risks to scale up or enter unfamiliar industries.

Some women entrepreneurs, find handicrafts or weaving products an easy business for export, whereas male entrepreneurs would seek larger investments for furniture or automotive parts trade. (A key informant)

- **Gender Bias and Preferential Criteria Set by Employers**

Motherhood-related discrimination against female workers is prevalent across the trade sectors. Both employers and employees interviewed agree that it is a normal practice for employers to prefer unmarried job applicants or those with more than two or three children to avoid maternal-related leave absence. This is because Cambodia labor law

permits three to six months of maternity leave, which creates a challenge for SMEs with limited resources as they must find a replacement to fill the vacancy temporarily. As a result, some businesses prefer male employees for jobs that are deemed appropriate for both genders, unless a job is considered a traditional role for women.

It is sometimes financially unaffordable for SMEs to train and invest in temporary employees, that's why we have to apply the gender-based discriminatory criteria during the recruitment process. (Women business owner)

However, there were also many businesses that prefer women employees for a variety of reasons, due to “*trustworthiness, accountability, a greater sense of ownership in the business, and the sensibility of women at work*” as opined by the women employers interviewed. This shows that there is a prevalence of gender-specific discrimination or preferential treatment, prejudices, and attitudes among employers, each of whom has their own unique reasons and justifications for doing so.

- **Lower Access to Digital and Technological Skill Training Amongst Women**

Another explanation as to why most female employees are concentrated in the garment and footwear manufacturing is the lower requirements of skills and education for the job. Women employees reported they lack the necessary skills for higher-paying sectors that are dominated by men, such as digital and STEM-related export industries, despite the country's attempt to compete in the 4th industrial revolution and digital economy. This is partly explained by the gender disparity in the attainment of digital and technological-related higher education and vocational training schools. According to the NIS economic survey, men receive more technical and vocational skills training than women in Cambodia. Moreover, men account for 84% of enrollment in computer science and STEM-related higher education (Cambodia Development Resource Institute, 2021).

Furthermore, the vocational schools and apprenticeship programs are not explicitly designed for women who must also do household tasks and childcare outside of their working hours. Furthermore, Women Development Centers (WDCs) with vocational training facilities, run by the

Ministry of Women's Affairs' Provincial Departments, primarily offer traditional training programs such as weaving, handicraft production, hairdressing, tailoring, and food processing.

The majority of the workforce in electrical and industrial parts factories are men. It is a highly skilled job with significantly higher compensation than workers in garment/textile factories, but sadly, only men have the expertise. Women should also engage in technical vocational training. (A female business owner)

This shows that the currently available vocational training schools are still limited to traditional skills training for women, making it difficult to meet the labor market demand. The types of skills training do not sufficiently prepare women to enter into higher-paying job sectors that have been primarily occupied by men, nor are they sufficient for women to be successful in pursuing self-employment. This signals the need to offer girls and women with low literacy the less traditional skills such as digital and technological related vocational training.

- **Physical Safety, Security Concern, and Limited Labor Market Information**

Many female workers choose to work in factories closer to their homes out of concern for their safety when commuting between home and factories, as factories are often located in an industrial zone outside cities. As a result, women workers have less job bargaining power due to limited job alternatives available for them as well as less chance to work in male-dominated workplaces.

We prefer to work in factories where the majority of workers are women because we can travel between our homes and factories in groups with other female coworkers and we feel more comfortable and protected at work as well where there are more women. (Women employees at FGDs)

According to the FGDs and KIIs, there have been numerous incidents of sexual harassment cases reported at female-dominated factories in the economic trade zones. Participants repeatedly shared that both the employers and responsible authorities often fail to take satisfactory actions against the perpetrators. The trade unions seem to need a greater level of

government support and autonomy in order to fully exercise their function as the mediator between employees and employers, as well as the body that can effectively protect trade labor rights. Additionally, women factory workers' ability to access labor market information, especially for illiterate ones, is essential. Due to their inability to read, the lack of job information has become one of the reasons why they would stay at one workplace for a long time, with limited personal or professional growth pursuits.

- **Limited Suitable Financial Products that Meet their Business Needs**

Despite the availability of trade credit and supply chain finance solutions in Cambodia, many women-owned exporting SMEs still struggle to find the type of capital products that meet their specific needs. Lack of information on available SME credit and trade finance options, low financial literacy, unfavorable repayment terms, high interest rate, costly commission fees, time poverty for preparing a competitive business plan and complex paperwork requirements are some of the key barriers that hinder women-led SMEs from utilizing the available financial services. The easiest source of financing is microfinance, however, the micro size and repayment terms do not serve their business needs, particularly their bigger and flexible cashflow needs for export.

MFI loan products are too small for many exporting women entrepreneurs, while traditional bank loans are either too big, the borrowing costs are also too high for the profit margins, or the repayment terms are not suitable for the business nature. (Women entrepreneurs in Cambodia)

Instead, many women entrepreneurs reported they prefer to start small from scratch with their own savings rather than on a larger scale with external financing. As mentioned previously, only a small percentage of women-owned businesses in Cambodia are involved in export activities, and those that are, are heavily concentrated in specific industries. On the other hand, some participants also reported that the lack of financial capital was one of the reasons they do not export as they need a larger scale to be able to export. This shows that women greatly hesitate to take financial risks from external sources, even if it means expanding

their business or accessing potential benefits of exporting. Certain participants express hesitation when it comes to selling their ownership shares to equity investors due to their desire to maintain complete control over the management and operational aspects of their business. Similarly, some individuals are not inclined towards borrowing loans as they are apprehensive about the associated pressures of repayment obligations according to the agreed contractual terms. These factors may stem from a lack of comprehensive understanding and detailed information regarding the cost-benefit analysis of financing strategies for their business expansion. Interestingly, the fear of losing their collateral assets in the event of business failure is another significant concern and a primary reason why many women avoid pursuing capital loans.

• **Market Saturation Hinder Business Growth and Diversification**

Both exporting and non-exporting firms led or owned by women in Cambodia are concentrated in similar industrial sectors, which makes the competition fiercer or quickly lead to market saturation. Specifically, women-owned SMEs are concentrated in fashion and apparel, beauty salons and cosmetics, handicrafts, and food industries (National Institute of Statistics of Cambodia, 2012). Moreover, many women entrepreneurs commonly choose the same type of business that they can run from home to balance household responsibilities. This often limits their options for the type of business or industries they are involved in, and causes them to remain micro-size without growing into SME level. Subsequently, they have fewer opportunities for business growth, due to the crowded sectors in which they compete, less time to devote to their business growth due to caring responsibilities, fewer opportunities for personal development, and reduced business networking activities.

Even though we may not be directly engaged in household chores or care-giving responsibilities, we still take charge of making decisions regarding the daily management of the household and oversee the activities of dependent family members, such as children and elderly individuals. As a result, we have limited time available for the growth of our businesses, personal development, and engaging in social networking activities. (Women entrepreneurs)

Vietnam

Similar to Cambodia, the study examined the reasons behind why, and under what circumstances, some trade sectors create economic opportunities for women and some do not in Vietnam.

In 2021, Vietnam's exports doubled as competitive minimum wage and low costs of utilities boosted foreign direct investment in the manufacturing sector. Vietnam's main exports are telephones, mobile phones and parts, textiles, computers and electrical products, shoes and footwear, machinery, and fashion accessories (OEC, n.d.). The women-led SMEs that we talked to often noted that they struggle to find skilled workers for jobs requiring technical skills within the specific industry they are in, especially when many workers decided to go back to their native provinces to be with their family during covid-19. Particularly, the factories located outside the capital city as well as the limited SME budget for human resources make it difficult to find affordable skilled workers who are willing to reside and work in the industrial zones outside the city.

• **Jobs that Require Physical Strengths**

Due to the physical strength requirements, certain jobs are explicitly reserved for men according to the female employers interviewed. For example, supply chain companies reported that male employees are mainly hired for warehouses, transportation, and distribution points, while women are placed at packaging and customer service counters. Moreover, due to physical security concerns for women employees, jobs that require overseas travel or night shifts are mainly reserved for male employees as reported by the women employees.

Certain export industries such as overseas logistic companies, furniture, and machinery manufacturing companies also employ a significantly higher number of men than women due to the physical strength requirements of the job.

Only 10% of total workers are men in most garment/textile factories and they all are either machine mechanics or fabric cutters. Due to the nature of work that requires more physical effort, the salary is higher than for the female workers. (A male factory owner)

Our specialty coffee processing for export requires a lot of physical labor and being near the fire heat. We allow anyone that wants to do the job regardless of their gender. But the female workers choose not to do it because the tasks are too tiring for them. The solution would be to adopt advanced technology so that we can train and hire more females. However, that is too costly for my business size. (A female business owner)

As the previous quote shows, many of the obstacles that women face can be overcome with the use of technology and digital equipment, making it easier for women to engage in the workforce, and successfully navigate transitions as automation becomes more widespread. However, this often comes with a big financial investment which is often unaffordable for small businesses. The limited availability of affordable loan products for technology equipment investment for SMEs also exacerbates this challenge.

- **Gender Bias in Employer Preferences and Hiring Criteria**

Similar to Cambodia, several Vietnamese enterprises also prefer male employees for positions that are appropriate for both genders, unless the position is a typical female role. Vietnam's maternity regulations are employee-friendly, with various provisions in place to safeguard employees both before and after childbirth. For example, employers must allow pregnant employees to get regular health checks, six months of paid maternity leave before and after childbirth, 10–50 days of leave for miscarriage or abortion, and other benefits. This is often a burden for SMEs with limited human resources to find and train temporary workers to fill in the gap. Aside from the difficulty of finding someone, training temporary employees is often costly for them. As a result, SMEs frequently use gender-based discriminatory practices throughout the recruitment process.

Women employees usually have a lot of distractions at work because of their family matters. Sometimes I feel bad if I don't allow my employees to take leave when their babies are sick at home but my business really suffers when I do. Because of my business size, even one day's output of one employee makes a big difference to meet my client's orders. I rarely see the male employees ask for leave because of their baby because they expect their wife to take leave and take care of it. (A female business owner)

- **Limited Access to Market Insights of Unfamiliar Industries**

Women entrepreneurs tend to stay in the same types of business or sectors where they can obtain market information from their peers, as well as spend a substantial amount of money on outsourcing marketing activities. As a result, they are unable to invest in other areas of business growth, such as providing decent working conditions for their employees. Many women-led SMEs also spend a significant amount of money on business development and management consulting services to improve the financial system and access to information and legal document processing. They stated that training courses and capacity building programs of government initiatives are too broad and do not meet the specific need of many women-led exporting SMEs.

I don't know how to do market research but I was told it is important for my business. So, I ended up spending a significant portion of my capital to hire a marketing consultant. Only if I could just easily browse the information, I needed by myself, I would be able to use that money to scale up my business, and it would have grown faster. (A female business owner)

- **Lack of Women Mentors and Role Models in Male-dominated Fields**

The lack of female mentors/advisors and the lack of female sectoral-network connections often hamper women entrepreneurs from entering male-dominated sectors, such as manufacturing and exporting electronic devices, machinery electrical parts, bicycles, gem/stones, and agricultural commodities. As a result, women often end up choosing the products/services that they are familiar with or know the best. In those industries where high-level business is dominated by men, it is difficult for women to succeed without someone guiding them.

It is so difficult to do an IT business and competing with men-led businesses because sometimes I feel like I don't belong to this industry. Many times, I wish there was another female that I can go and talk to. Someone who knows exactly what I go through and knows exactly about my struggles as a female entrepreneur in this industry. Unfortunately, there are not

many women players. As a female, you really have to be assertive and tough to survive. (An IT business owner)

- **Lack of Women as Suppliers in the Value Chain**

Women-led exporting SMEs in the agriculture sector reported that they typically source raw materials and inputs and that most of their direct suppliers are men. Even in a family-run business, women typically defer the responsibility of dealing with buyers to their husbands or the man of the house, as they perceive it to be a traditionally male responsibility. At times, the women entrepreneurs may find it difficult to engage with a men-only trade environment. As some respondents explained, they feel disrespected as women and the male suppliers would often prioritize to meet the demand of their men-buyers while failing to meet the agreed-upon quantity ordered or delivery date with the women-buyers. They regularly have to argue and act masculine in order to prevent the male suppliers from defrauding or cheating. They believe that only when they are verbally aggressive or assertive, their orders are adequately responded to in a timely and respectful manner. Female business owners stated that they would like to deal with, and see more, female suppliers in the markets. Therefore, there is still a significant gender gap in the supply chain and supporting women as suppliers in the agricultural sector is an untapped potential for trade-supporting agencies and the government to support women-exporters.

- **Language Barriers, Time Constraints, and Safety Concerns**

Women-owned exporting SMEs in Vietnam face difficulties in finding and negotiating with buyers from other countries. Understanding the buyer's point of view and negotiating favorable terms of sale can be difficult because of cultural differences, language barriers, and a variety of ways of communicating. Buyers who they meet at trade fairs, and reach out to, do not seem to be interested in their products, according to many respondents. As a result, non-English-speaking business owners face challenges in finding the right customers and creating products that satisfy customer needs. The limited capital for their business size also means that SMEs

are unable to invest in their business development activities outside the country.

Additionally, psychological barriers impede exporters from adequately engaging with others and networking. Burnout, not sensing the business benefits or not feeling welcomed among larger businesses at events, and uneasiness about traveling alone, especially at night or overseas, are common factors that contribute to missed opportunities to participate in activities related to international trade fairs, industry networking events, conference brand building, and establishing reliable business partnerships. There is a significant need to create networking opportunities for women entrepreneurs where they feel both welcomed and that are beneficial to their business growth. This may mean organizing women-only networking events, held at their convenient time and place, as well as opportunities to meet with industry experts and other women role models in their relevant sectors.

Business networking events are always only in the cities and in the evening. My factory is in the countryside and I don't feel safe to travel far alone in the night. That's why I never join such events though I know it is important for my business and my visibility. (A female factory owner)

• **Limited Suitable Financial Loan Products and Lack of Autonomy**

Similar to the case in Cambodia, bank loan requirements and procedures including collateral ownership and other legal certificate documents were also reported as one of the main key barriers that hold back women-led SMEs from accessing SME credits. In Vietnam, it is still a cultural practice that household assets are registered under the name of the male household head. This means that women still need the approval of their family members including their agreement on fund usage, in order to obtain external finance, which causes business loss from delays or family conflicts. Further to this, the respondents also mentioned that the loan application processes are too complicated, requiring a lot of paperwork that women entrepreneurs do not have the time or capacity to prepare, especially in the case of lower-educated entrepreneurs. It is also important to remember that working women have the double burden of managing their household affairs and business matters at the same time.

The currently available financial services for SMEs, including SME loans and trade finance instruments, have yet to address the specific and unique challenges that women entrepreneurs face in order to increase the number of women clients in their portfolios. A more focused transition from the traditional gender-neutral approach to gender-smart strategies is necessary. This is an area where trade supporting agencies can closely work with financiers to ease women's access to financial capital in the trade sectors.

3.4.2 Broader Impacts of Trade Sectors on Women's Economic Empowerment

Overall, the trade sector's contribution to women's economic empowerment is fairly similar for both Cambodia and Vietnam, therefore the findings are merged and presented collectively in this subsection. Moreover, the specific differences that may exist between the two countries were not fully explored in this study mainly as the research was not particularly designed for comparative case analysis.

• Increase in Women's Labor Force Participation

For many women in Cambodia and Vietnam, especially those with low literacy, working for the garment and footwear manufacturing companies was their first formal job and this is a crucial step towards financial independence and a path out of poverty. As repeatedly highlighted, export sectors such as garment, apparel and footwear manufacturing employ predominantly women and girls in both countries. The female workers at FGDs in both countries reported that earning their own income improved their decision-making and control over their resources. Many female workers of women-led SMEs are the breadwinners in their households, signaling women's labor participation has the potential to reverse traditional gender role distributions. Existing studies have proved that increasing women's labor force participation is associated with various subsequent benefits to both household and national economy levels. For example, higher household incomes improve financial stability and access to education, health, and other essential resources. Financial independence can increase economic security while decreasing reliance on social welfare programs. Furthermore, women-owned SMEs have a higher

percentage of female workers than men-owned SMEs in both studied countries. This could be explained by the fact that the majority of women-led SMEs operate in sectors or industries where women's labor is preferred. Women are preferred in businesses such as fashion, cosmetics and personal care, value-added food products, handicrafts, and so on. Regardless, it was evident that export opportunities increased women's labor force participation in both countries.

● Increase in Women's Entrepreneurship

The two governments' gender-mainstreaming initiatives have the potential to significantly help women to participate in cross-border trade. For example, some of Vietnam's gender-focused incentive policies include: (i) corporate tax incentives to account for hiring more female employees, (ii) SMEs owned by women to be supported with loans up to 50 percent of the contract value but not more than VND 150 million (US\$6,500) per year (iii) medium enterprises owned by women are eligible for 50 percent of the contract value but not more than VND 200 million (US\$8,700) a year (Vietnam Briefing News, 2021). The government's trade promotion agency, VIETRADE, launched the online learning platform for women entrepreneurs focusing on trade-oriented business planning skills and e-commerce readiness. The platform has attracted and inspired entrepreneurial interest in Vietnamese women. In 2021, a total of 600 women signed up for the first course provided for one month. Moreover, to increase the financial access of women-owned and-led SMEs in Vietnam, the Asian Development Bank (ADB) recently signed a loan agreement worth US\$25 million with a local bank in early 2022 (Vietnam News, 2022). The loan was accompanied by a \$750,000 of grant for equipping the bank with technical capacity to serve women-led/owned SMEs effectively.

In Cambodia, the establishment of a women-focused institutional body has been a significant step forward for Cambodian women. The Ministry of Women's Affairs (MOWA) and gender working groups in each line of ministry that draft and implement gender mainstreaming action plans are among the institutions that support women's economic empowerment. The strategy focuses on three areas of intervention: (i) offering market-driven employment training for women; (ii) ensuring that women have the capacity to run and build their businesses and may progress from the

micro to the SME sector; and (iii) enhancing rural livelihoods, particularly for disadvantaged women. Moreover, the government's commitment to expedite and digitalize customs procedures and cross-border commerce made cross-border trading more convenient especially for stay-home mothers.

Many home-stay women started to look for small-scale retail trade of agriculture commodities or FMCG products through e-commerce platforms while taking advantage of the digitalization of the customs clearance process from home. (A key informant in Cambodia)

- **Improvement of Women's Autonomy and Agency over Economic Resources**

Female workers reported that earning their own income has improved their decision-making and control over their economic resources. The majority of female workers employed by women-led SMEs are the breadwinners in their households. Many noted that earning incomes has given them the agency and autonomy on how they want to spend their money. Some even feel more respected by their husband and in-laws. This is especially important in reducing gender-based violence and improving women empowerment.

I was constantly pressured by my uncle family to get married just so I have someone to take care of me. I used to be very stressed about it and I didn't know what to do as I couldn't find any job to support myself. But since I found a job at the factory that didn't care that I don't have a degree or work experience, I was so happy. Now I can stay single as long as I want because I have my own income and contribute to my family household expense. (A teen girl high school dropout and factory worker in Vietnam)

This shows that having a formal job has an impact on women's decision-making power at home and in the broader community by delaying marriage, providing greater autonomy on fertility decisions, motivating progress on educational achievement and attainment, and

solidifying women's personal decisions in all aspects of daily life. Therefore, women's labor force participation subsequently empowers them.

● **Accelerating Human Capital Development amongst Women**

In Vietnam, women factory workers reported to have developed an interest in further advancing their skill levels in foreign language, digital skills, and other technical skills in male-dominated factories. In response to this, there have been a number of skill training programs provided to female workers. The number of women graduating with Information and Communications Technology (ICT) and STEM-related degrees is gradually increasing. This is a result of the government's recent effort in addressing technical skills shortages in mechanical and electrical-related manufacturing sectors that make up at least 50 percent of the country's exports. Between 2005 and 2016, the national statistics show that the percentage of female STEM tertiary graduates in Vietnam doubled, from 20 to 37 percent (International Labor Organization, 2020). Therefore, it is expected that businesses will gain in the long run from a larger and more educated pool of working women in ITC and STEM related industries in Vietnam.

In Cambodia, women entrepreneur associations such as CWEA have also provided skills training to its women-entrepreneur members including digital literacy, business skills, and leadership skills. With support of Canadian Trade and Investment Facility for Development (CTIF), Nomi Network is currently preparing to provide training to women-led/owned SMEs in Handicraft and Fashion Sectors. The training modules will focus on enhancing digital marketing, exporting, and promoting women entrepreneurship, among others. Moreover, women-led SMEs tend to provide skills training and hire women workers for their handicraft or food processing businesses according to the key informants. This is considered important given that women are hired for most of the low-skilled required jobs in these industries.

In terms of government initiatives, the key informants shared information about the Factory Literacy Programme (FLP) which was developed by the Ministry of Education. The Cambodian garment sector employs a huge number of women with poor literacy rates. FLP was launched in 2016 with the goal of upskilling the female employees and helping to address the skill gap in the textile, footwear, and apparel industries.

Learners who complete the course receive a certificate of completion from their individual provincial education offices, which is recognized by the Education Ministry as equivalent to Grade 4 formal education. In 2021, UNESCO and the Ministry launched new textbooks that will allow students to attain a Grade 6 equivalence. Since its inception, the FLP has enrolled 2,063 people from 12 provinces through 25 partner industries, with a 72 percent completion rate.

I grew up in the rural farming household and I didn't have any vocational skills to get a job. I only knew how to feed food to animals or clean the house at home. But as soon as I started working at the snack making factory, I was given training on the job and I can now know all the process of how to make different types of snacks from baking and storing methods to packaging. I would like to have my own bakery business one day. (A women food processing factory worker in Cambodia)

During the FGDs with the factory workers, many noted that they never read the contract they signed with their employers mainly because they find it difficult to read or understand the technical terms used in the contract. When they later need to negotiate their pay and benefit package, resign and discuss promotion matters in the middle of their contracted term, they often find out certain contract conditions that they do not agree with. This also shows the importance of familiarizing/educating low-literacy workers with important legal papers, labor law, HR regulations, and their basic human rights.

● **Promoting Responsible Business Practices**

As today's consumers are becoming more and more educated and cautious on environmental and social impact, the market demand is moving toward a responsible consumption trend. At the same time, the women entrepreneurs have quickly captured the business opportunity that comes with the trend and using it as their competitive advantages in both countries. According to the key informants interviewed, creating business value propositions through environmental and social impact has become increasingly popular amongst the women entrepreneurs in both countries. This includes organic and natural-based products, hiring

stay-home mothers for handicrafts, adopting environmental-friendly packaging and labeling, and social-impact marketing strategies that highlight gender-neutrality, social inclusion, veganism, and animal free-testing etc. Through product and consumer education campaigns, the target consumers have also increased their social and environmental awareness. Based on this, women are also considered more innovative and creative compared to their male counterparts. This may also be linked to the nature of competing in a saturated market that often forces women-led companies to be more innovative and customer-centric. Additionally, the key informants stated that women employers are more compliant with commercial tax and provide better employment insurance benefits than men employers.

- **Increase Women's Representation in Leadership**

National statistics in both countries indicate that the number of women in senior leadership positions in both the private and public corporations is gradually increasing. Particularly in Vietnam, the percentage of women holding board of director roles in the private sector is rising rapidly and is slightly higher than the global average. According to the key informants, women who run their own enterprises are more likely to take on leadership responsibilities in their communities as well. This is especially crucial in patriarchal settings where women are rarely seen in leadership positions. Furthermore, this encourages women to pursue leadership roles in government institutions and politics, where they may make critical public decisions representing the female population.

Since I started my business, my self-confidence and leadership skills have improved a lot. I suddenly became someone that women and girls to seek advice from in my community. Even my father and uncles listen to my opinion which is rare in this small town. (A Vietnamese women entrepreneur in the countryside)

- **Promoting Gender-Smart Workplace Policies**

In both countries, employees at companies led by women reported having greater HR policies compared to male-led enterprises. In particular, these are practices related to pay reductions for maternity and

menstrual leave, protection mechanisms against sexual harassment, safeguarding against peer abuse, and promotion of women to managerial roles. The female employees observed that female owners and managers are more compassionate and understanding when it comes to the gender-specific needs of the female employees. Employers in Vietnam specifically claimed that a more gender-equal workplace builds a positive brand image and attracts talent. Moreover, job satisfaction coming from fair and equitable working conditions encourages low-educated women to remain in the formal workforce.

- **Improving Household Socioeconomic and Extreme Poverty**

Female workers in both countries reported that having an income helps them to alleviate their household's extreme poverty. The majority of women are driven by the desire to provide better educational opportunities for their children with the hope that their next generations will have better employment opportunities and improved living standards than they do. They also believe that having a stable income source allows them to be more resilient against financial shocks. Prior to their factory job, they would usually go to microfinance institutions or informal lenders when they need money urgently for non-productive purposes such as medical bills and school fees. This often comes with high interest rates, and they are often trapped in a debt cycle. Moreover, the female employers in both countries noted that their increased income from running their own businesses has enabled them to improve not only their household economic situation but also those of their relatives. It is apparent that women's economic empowerment clearly has a multiplier effect.

Now that both my daughter and I work thanks to the exporting factories, we have finally saved enough capital to open a small grocery shop. My 60 years old father will stay at home and run the grocery shop. I hope my daughter can resume going to college in three years. We are earnestly working hard and saving money for that. (A single mom working at food processing industry in Cambodia)

3.5 CONCLUSION

In this section, drawing on the qualitative findings from the first two research questions discussed in the previous section, we address the third research question by proposing policy recommendations for the respective national governments and trade supporting agencies.

3.5.1 *Cambodia*

- **Gender Integration in Trade-related Policies and Strategies**

In order to achieve economic liberalization and trade promotion, Cambodia has initiated technical assistance from various development partners through national trade programs over the past years. Firstly, the establishment of a women-focused institutional body, the Ministry of Women's Affairs (MOWA), has been a significant step forward for Cambodian women. MOWA focuses on three areas of intervention, namely (i) offering market-driven employment training for women; (ii) ensuring that women have the capacity to run and build their businesses and make progress from the micro to the SME sector; and (iii) enhancing rural livelihoods, particularly for disadvantaged women. Secondly, the Rectangular Strategy (RS) of the Government of Cambodia comprises four objectives within the core themes of "Growth, Employment, Equity and Efficiency". This national strategy explicitly features gender equality in the strategies and is a blueprint to guide all stakeholders. Moreover, the Cambodia Trade Integration Strategy (CTIS) also mentions the importance of women in trade, calling for further mainstreaming of women empowerment in trade and business development policies (Kingdom of Cambodia, 2019).

However, other trade related policies still lack the integration of women empowerment strategies. For example, policies that provide legal incentives and that encourage women-led businesses to export have not been clearly identified. Specifically, there are still no explicit plans or priorities in place to assist women-led exporting businesses in integrating into the global trade network and moving up the global value chain. We also observed that many capacity-building projects are fragmented and not especially oriented at aiding local women-owned exporting SMEs, while trade assistance programs have mostly concentrated on creating fundamental trading infrastructure. Therefore, the explicit policy commitment

towards women exporters/importers is necessary to make the institutional support work effectively for women players in cross-border trade sectors.

• Gender Mainstreaming Free Trade Agreements

The global pandemic has forced many exporting SMEs to close or scale down their operations, thus disrupting the economic activities of women-led SMEs. With this background in mind, we conducted literature reviews on Free trade agreements (FTAs) that could play an important role in countries' economic recovery efforts post-COVID-19. We believe that FTAs are a great tool for governments to encourage trade partners in initiating laws and procedures that benefit women in trade and commerce. However, the findings show that none of the free trade agreements integrate gender mainstreaming that will help to increase female players in the trade sectors. Nor do they refer to international normative frameworks such as the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW).

This is a missed opportunity to build on existing frameworks that could easily be modified during policy revision. It is crucial that such agreements also address historical, legal, economic, and/or socio-cultural factors that influence gender equality and trade for maximum mutual benefits. (A key informant)

FTAs could explicitly address women's economic empowerment and their contribution to economic growth by collaborating on activities to assist women entrepreneurs and workers, and to make sure they benefit from the trade opportunities created. The activities may be centered on: establishing institutional mechanisms within trade agreements to facilitate collaborations with women groups, special provisions to increase female suppliers, improving access to simplified and verified information on complying with various customs requirements of different importing countries amongst women exporter networks, synchronizing cross-country legal frameworks on financial fraud and cybercrimes, increasing women's international market access and market diversification opportunities, exchanging information and experiences about technology

and financing, developing women's leadership networks, and identifying best practices for gender-responsive labor standards.

- **Gender-smart Financial Capital and Trade Finance for Women-led Exporting SMEs**

The unmet credit demand from Cambodian women-owned micro, small, and medium enterprises (MSMEs) is estimated to be \$4.2 billion (International Finance Corporation, 2022). Trade finance has been well known to enhance SME engagement in international activities such as direct exporting and global value chain participation while improving a country's export and import growth. The lack of access to information on trade finance and low financial literacy amongst the women entrepreneurs may answer why most women entrepreneurs participating in this study have not used trade finance services in Cambodia.

This is also a big missed market opportunity for the supply-side. Financial institutions in Cambodia can adopt a gender-lens strategy in their products and services to increase the female-client portfolio. For instance, trade finance instruments can address the challenges of women exporters with working capital shortages or cross-border payments that are typically more expensive, take longer, and are less transparent than domestic payments. Another example is that financial institutions and development aid donors can partner to adopt blended finance or governments can partner with private banks to create collateral-free SME loan options focusing on women exporters and importers by providing guarantees. While the demand side can be provided with financial literacy training and business technical assistance, the supply side actors will also need to be equipped with the know-how and gender awareness on how to effectively adopt a gender-lens into their fund management and financial products designed to serve women-led SMEs effectively.

- **Industry-Specific Trade Information for Market Diversification**

The women interviewed reported that they do not rely on free trade agreements due to a lack of knowledge and capacity to deal with the complexities of international trade procedures. They also repeatedly noted the limited access to trade information and industry-specific trade support

as a key barrier to their business growth. There are a few business information hubs such as the Business Information Center which focus more on business registration procedures rather than export-related information. Therefore, businesses are mainly relying on general information that comes from their peers (other women entrepreneurs) or business associations but with limited industry-specific information. They wish for easy access to industry-specific market information. An offline or online 1-stop export solution incubator with sector-specific expertise services for exporting SMEs may be beneficial. The 1-stop incubator can be linked with Cambodian embassies in exporting countries. The services may include foreign market research information and regulations, potential buyers and partners, financing options, shipping and logistics, trade events and e-commerce resources, due diligence and intellectual property related support, and any other export/import related problems.

- **Clustered Peer-Support Networks**

Entrepreneurs must frequently make risky decisions, resolve difficulties and disagreements, and deal with ongoing obstacles and challenges. Due to overwork and pressure to obtain clients or raise profits, the women entrepreneurs noted that their self-care activities that promote relaxation and restore appropriate balance are mostly neglected. Clustered peer support network groups are based on the idea that women who have been through similar industry or export product or same export destinations can help each other with important insights and other mental support and help each other overcome business problems or reach goals by sharing their own experiences and knowledge. The women entrepreneurs and women supporting associations suggested that TSOs should facilitate peer-support network groups where only exporting women-led business leaders from the same industries can connect, seek synergies, share trade/market information, and have one voice for policy improvements.

- **Diversifying Demand-based Vocational Training for Women**

According to the female employees, the current training programs are not necessarily responsive to the needs of women and girls. The literature that we reviewed suggest that the formal technical and vocational education and training (TVET) system in Cambodia is still in its infancy,

with gender gaps in TVET access, quality, and institutional capacity. The lack of skills in supply–demand matching between women’s vocational education programs and labor market demands limits women’s labor-market participation and benefits, as well as their economic empowerment potential. This contributes to most female workers being concentrated in low-paying, low-skilled job sectors.

Additionally, the Cambodian government has just recently started implementing efforts to diversify the country’s exports away from low-value-added textile goods and toward higher-value sectors such as automotive and electronics. The majority of technical and vocational training in these high-skilled and high-paying manufacturing sectors is provided to men while the aim is to increase the number of highly trained individuals available to meet the human resource needs of the sectors’ firms. This suggests that gender considerations are not sufficiently integrated into skill development programs designed for male-dominated industries. The respondents suggested that vocational skills training should target more women workers with the aim of increasing women’s labor force participation in male-dominated industries with high-skilled and high-paying jobs. Moreover, many female factory workers, who account for the majority of the female workforce in the exporting sector, reported that they have never read their job contract documents due to low literacy as well as a lack of awareness of their importance.

● Gender-responsive Labor Law

The FGDs with employees show that it is still necessary to raise the minimum wage for export-oriented factories and improve working conditions for women by enforcing amended rules and regulations. With volatile inflation and rising prices, salaries offered years ago can no longer cover basic living expenses. Workers of both genders believe that the policy governing the minimum wage should be amended because the vast majority of employers will not pay more than the statutory minimum wage.

We can no longer afford to pay for our dependent family members’ education and healthcare, such as children and the elderly. This causes us a great deal of distress, as well as insufficient food and nutrition and poor living conditions. (Women employees)

Furthermore, sexual assault, power or verbal abuse, and physical violence are all examples of workplace harassment and are more prevalent in larger factories owned by local male employers or foreigners.

Employers are ignoring the issues and sometimes even blaming the victims, which discourages workers from coming forward and speaking up. (Factory workers)

This appears to have a negative impact on workers' trust in their employers as well as their overall workplace environment experience. The employees expressed that they believe their employers and other responsible parties must take serious action against workplace harassment incidents. Moreover, as mentioned before, Cambodia's trade unions need the government's full support in handling the issue, as a collaboration between trade unions and businesses is crucial to achieving workers' welfare.

- **Demand-based Capacity Building for Women-led Exporting Businesses**

Cambodian women entrepreneurs reported having difficulty predicting and controlling risks associated with their business operations and marketing strategies. Of those who participated in the current study, the vast majority had no written business risk management plan in place to deal with financial losses and unforeseen adversity in their day-to-day operations. According to the KII respondents, training in soft skills is essential in capacity-building programs. Most respondents in both nations believe that businesswomen need to improve on their packaging and labeling designs, branding with food safety handling practices, advanced promotional materials on the internet, and their business visibility within their respective industries.

3.5.2 *Vietnam*

- **Gender Integration into Trade Policies and Strategies**

Vietnam has recently put significant effort into increasing the number of women entrepreneurs and women in the labor force with multiple

policies and strategies in place. Surprisingly, most businesswomen and managers were not aware of the existence of certain policies, especially in regard to SMEs and gender related tax and loan incentives. The respondents expressed that the written policies are still yet to be taken into action effectively. They have not yet witnessed anyone benefit from these in their respective export network, which could be due to the limited access to policy information of the women-led enterprises. Translating objectives into effective implementation can be difficult and the government could improve its communication materials and information channels as a first step. In terms of government support, the overwhelming majority of the women business leaders shared they benefit the most from international and national trade fairs. Due to the SMEs' marketing and business development budget limitations as well as the limited capacity on finding overseas B2B partners, the ability to network and showcase their products and services at trade fairs has been helpful for their company's visibility.

While Vietnam has fully incorporated gender into the country's SME economic development strategies, it has yet to be fully integrated further into trade strategies, including export and import priorities. In 2020, the EU Parliament ratified the EU-Vietnam Free Trade Agreement (EVFTA) which includes commitments toward improving labor rights and gender equality. The Vietnam-Chile FTA also includes provisions that reflect their awareness and recognition of gender inequality as a problem, however, without a standalone chapter. These provisions are intended to encourage parties to work together on possible aspects such as empowering women in different ways by improving access to markets and financial opportunities and helping women overcome the barriers that currently prevent them from accessing financial opportunities.

In the meantime, these policies have yet to transform into practical implementation and enforcement at local levels, thus bringing the intended benefits to the women players. Women exporters still face barriers surrounding complex customs processes, tariff or non-tariff barriers, and lack knowledge on trade agreements and regulatory frameworks related to product standards, labeling requirements, certifications, and intellectual property rights. This can be due to a range of factors, including differences in institutional capacity of trade supporting agencies, information asymmetry, and other political and social barriers. It is crucial to keep working toward advancements and improvements to strive toward effectively converting sound policies into significant actions. Some of the potential bottlenecks to look into include addressing capacity

gaps amongst the responsible local government and state enterprises personnel, increasing public awareness, involving civil society and relevant associations, and nurturing follow-up partnerships across borders.

- **Incentives and Instruments for Good ESG Performing SMEs**

Women entrepreneurs in Vietnam tend to incorporate social and environmental impact into their business model and use it as a competitive advantage in their marketing strategies according to the key informants. Special provisions should be designed for good social-performing SMEs that engage in trade. This may include tax holidays/discounts, interest-free public loans or guaranteed loans, and easing operational bottlenecks and risk management for ESG impact investing funds and philanthropy ventures through FDI and financial policies. The country's environmental regulatory system still lacks incentives to encourage better environmental performance for the SME sector, and it is also unclear how much emphasis is placed on promoting environmental compliance by SMEs. There are numerous greening support schemes and financial incentives in the country's private sector focusing on larger companies and there is little evidence that SMEs benefit from them. The Vietnam government has introduced programs such as the Rural Electrification Fund and the National Biogas Programme that offer financial loan incentives for specific technological adoption for environmental sustainability. However, the programs do not target SMEs, and are funded by donors that may limit the reach and longevity of the program. Currently, The Alliance, under Mekong Sustainable Manufacturing Alliance, is a program that aims to drive manufacturers' adoption of ESG standards in Cambodia, Thailand, and Vietnam by engaging hands-on with factories, leveraging brands' purchasing power to incentivize ESG improvements, building manufacturers' capacity to undertake such improvements, and increasing their access to finance (USAID, n.d.). The program's focus industries include apparel, footwear, electronics, and food processing sector where women labor force participation as both employees and employers is high.

Through such programs, the policymakers should ensure the incorporation of a gender lens and inclusion of women-led SMEs in promoting national ESG performance schemes.

- **Country-specific Market Intelligence Portal**

According to the women entrepreneurs interviewed, the cost of marketing services such as market research, brand building, and product promotion activities accounts for the majority of their business expenses. They believe they need to improve their marketing strategy knowledge and capacity, particularly in market research, in order to better understand the specific demand of their potential export markets and the supply situation. They would also like to learn more about how to use research and data analysis for business development and growth. Furthermore, while the majority of them asserted that they have a marketing plan, they do not know how to systematically prepare or implement strategic marketing and branding strategies. Trade support agencies could consider developing a Market Diversification Tool to help women-led businesses identify potential new export markets. The tool may provide current trade patterns of various countries and enable businesses to easily compare different potential export markets. Additionally, it can also provide product-specific trade information to enable companies to decide whether potential markets are ready or suitable for their products. Finally, the enabling environment to directly engage with distribution networks including distributors, retailers, and logistics providers in a different country can be critical for women-led SMEs. Differences in language, business culture and etiquette sometimes limit effectively building cross-border market linkages. Investing in technologies and training that address these barriers as well as coaching services on adapting business strategies to align with local preferences of different markets could be beneficial.

- **Tailored Loan Products for Women-led Exporting SMEs**

Similar to Cambodia, there is a need for financial institutions in Vietnam to deliberately target women-led SMEs as a market segment and offer the types of financial products designed to meet the specific needs of women entrepreneurs in trade. According to the respondents, the SME investment banks currently show rather low levels of gender

awareness and adoption of a gender lens into their credit processes. This includes a lack of gender-disaggregated data collection, a significantly lower number of women borrowers in loan portfolios, a lack of initiative to increase the number of women borrowers, a lack of gender-based customer segmentation and lack of technical support to borrowers, as well as little consideration of gender-specific disadvantages that women-led SMEs face in the loan processes. SME-lending financial institutions should be provided with practitioner training in order to deliberately target women-led exporting SMEs as customer segments; adopting gender perspectives throughout the loan process would benefit both parties. Simpler and more straightforward procedures for government loan applications through a 1-stop online system were also recommended by many business owners whose factories are located in industrial zones outside Ho Chi Minh City.

Currently, Vietnam's credit rating is lower than that of regional peers such as the Philippines or Thailand. During the multi-stakeholder consultation workshop for this project in Vietnam, the participants raised concerns on business fraud, especially payment risks, associated with cross border trade. Due to the limited resources and information access for due diligence and a lack of track record, both exporters and importers may face counterparty risks while entering new markets and interacting with first-time non-resident SME customers and sellers. To address this, trade finance options should be made more accessible to the women entrepreneurs engaging in cross border trade. Opportunities on digitization of trade financing should be explored on the supply side while the demand side is provided capacity building to improve their digital and financial literacy. In addition to this, policymakers should find a way to improve the law enforcement mechanism on business fraud associated with cross-border trade through multilateral trade agreements.

- **Demand-based Capacity Building Designs for Women-led Exporting Businesses**

International development agencies and women entrepreneurship associations have also provided a number of capacity-building training programs targeted directly at women-led SMEs. However, most business training programs for women are one-size-fits-all in nature and the topics are general according to the women entrepreneurs. They indicated

that participating businesses could benefit more significantly from such business development training if participants are grouped by similar size, industry, or by business nature. They suggested that the training materials should be tailored to the specific requirements of various types of businesses from various sectors and industries. Clustered training designs that are solely focused on women-led exporting businesses could be especially beneficial. Prior to each training program, a demand assessment should be conducted to ensure that the specific training needs are addressed and covered by the trainers. Additionally, training on innovative product development for exports, including demand and feasibility assessment for the targeted international market, was specifically suggested by the respondents.

- **Leveraging E-commerce Tools**

Along with the realization of the importance of e-commerce, the female entrepreneurs expressed a desire to shift their business from traditional to online platforms. Thus, they wish to adopt affordable and user-friendly digital tools available for their online stores, cross-border payments and SME-friendly cross-border logistics, and legal aspects of running an electronic business. Moreover, businesses that are already conducting business online are interested in learning about online content management and social media marketing techniques in order to help them attract more customers. As mentioned, VIETRADE recently launched an online learning platform focused on female entrepreneurship in the digital economy. While many people are finding the training useful for growing their businesses, they also believe that exclusive programs targeting only exporting women-led SMEs would be even more effective. In partnership with the Korean and Chinese governments, Mekong Institute has been delivering capacity building projects on cross-border trade-oriented e-commerce development, targeting women-led SMEs as well as relevant government officials from Mekong countries, including those in Vietnam and Cambodia. This is a good example of an initiative that helps women-led SMEs improve their cross-border trade through e-commerce opportunities.

- **Leadership and People Management**

For small businesses, leadership and people management skills are essential since they have an impact on productivity, employee satisfaction,

attracting talent, adaptability, and the company's overall reputation and performance. There was a consensus among female business owners that it is challenging to manage people in a way that maximizes production while also retaining and satisfying employees. For a small firm to succeed and thrive over the long term, the leader must be able to inspire and motivate the team through challenging times as well as change strategy in response to changing market conditions or new business prospects. The entrepreneurs interviewed expressed their wishes for being more self-aware of their leadership styles and the importance of gender equity and creating a healthy work environment for their employees. By understanding how to motivate, delegate tasks, and provide guidance, the women entrepreneurs can create a productive work environment that encourages employees to perform at their best. Additionally, the reputation and brand image of business owners are strongly impacted by how they lead and manage their staff. This is an important factor in attracting top people, establishing customer loyalty, and the overall success and sustainability of a business.

Concluding Thoughts

The emerging economies of Cambodia and Vietnam offer lessons about the importance of trade as a vehicle for increasing the opportunities and incomes of women in the workforce. As trade increases, the opportunities for employment and enhanced income proliferate in the form of increased labor opportunities in higher-paid tradeable sectors. Trade has been associated in both countries with the growth of manufacturing. As the manufacturing sector increases in importance, women are able to earn increased salaries, though these opportunities accrue more to women located in urban centers. It is crucial to note that women in rural areas are able to migrate to urban centers, but the bulk of their salaries are remitted to their families in the countryside.

SME financiers in both countries, including commercial banks, public lenders, and equity investors, must incorporate a gender lens into their strategy and operations. Various research reports and policy briefs have repeatedly emphasized the issue of access to finance as a major obstacle to the growth of women-led SMEs, but with little discussion of the necessity for supply side gender mainstreaming. With a gender lens, microfinance institutions mostly serve women from rural households and micro-sized businesses. We discovered that most commercial banks and private investors in both countries that offer SME finance do

not deliberately target women-led SMEs as a market segment in their marketing and product design strategies, nor have they ever received gender mainstreaming training that will equip them with the necessary knowledge and tools to effectively serve women-led entrepreneurs with unique needs. We believe this is essential because, as highlighted in previous sections, women exporters/importers require fairly specific financial solutions. Furthermore, there is still a need to make trade finance instruments available and accessible to the women-led SMEs in both countries. We strongly recommend that opportunities for digitization and gender-mainstreaming of trade finance services should be further explored.

As sustainability, social impact, and climate change have become major topics in recent years, a variety of initiatives that link gender and the environment have been implemented. These efforts, however, are primarily concerned with how women are affected by environmental issues or how rural women might benefit from renewable energy, for example. According to our study, women entrepreneurs are more likely than men entrepreneurs to incorporate an environmental or social impact lens into their business plans, particularly those engaging in exports. However, there are no incentives in place to further reward or promote SMEs for their good ESG performance. Tax incentives for ESG performance are only available to large corporations at the moment. We believe that good ESG-performing SMEs should be offered public loan incentives without collateral or interest, to help them grow their businesses. Governments should also consider easing the enabling environment such as operational risk management of impact investing funds and philanthropy ventures through FDI and financial policies. Gender disaggregated data to understand what percentage of male and female entrepreneurs in the SME sector export what items and at what scale is not available currently. Such specific data will tell us when market saturation risks arise, or whether industries have a lower market share of women-led SMEs, and how trade support agencies can adjust their services accordingly. The limited gender-disaggregated data limits the analysis of opportunities for improving women economic empowerment.

Finally, with respect to the preceding point, we cannot emphasize enough the importance of creating market diversification opportunities for women-led SMEs in both countries, as well as job sector diversification chances for women employees. When it comes to trade-oriented sectors, women tend to choose the type of business they are most

familiar with rather than the most feasible/profitable, which appears to lead to market saturation. Likewise, female workers are also crowded in low-skill and low-pay jobs. The issues surrounding women's concentration in a few industries requires more attention and solutions in order to bring more women into industries where men are overrepresented. Online or offline one-stop export/import solutions centers that link with Cambodian and Vietnamese Embassies could be beneficial. Women's TVET programs must also extend their gender-stereotyped and self-employed focus training courses to more digitally oriented and job demand-responsive skills training.

Moving forward, trade supporting agencies could consider an ecosystem approach to women's economic empowerment. The following specific interventions can be considered for strengthening women and girls in the trade sectors from developing countries of Southeast Asia.

- Policy research and advocacy forums with trade support agencies and relevant ministries to integrate gender components into trade-related policies and strategies, including bilateral and multilateral free trade agreements, to ensure equal access to trade opportunities for female players in the global value chain.
- Gender mainstreaming workshops and gender technical assistance to financiers including SME investment banks, private equity investors, and trade finance services providers to design, measure, and offer gender-smart financial products and services for women entrepreneurs.
- Industry-specific trade market information or online resource center in local languages for women exporters to diversify their target markets/industries and to access the market of importing countries.
- Industry-specific peer-support networks amongst women exporters for exchanging information/experience and building like-minded support systems.
- Demand-based vocational training for women workers in trade to diversify their options for job opportunities as well as attain more leadership positions within the trade sectors.
- Gender equality and equity workplace performance recognitions and awards to companies in the trade sectors.
- Finally, the digital economy has allowed SMEs to participate in global value chains, and trade support agencies could encourage women business owners to take full advantage of e-commerce and

digital business services. This could include capacity building activities on the usage of digital marketing tools, conducting online market research and virtual market linkages, digital brand building and product promotion, digital supply chain management, digital financial services, and digitization of trade finance instruments.

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Trade and Women's Economic Empowerment: Qualitative Analysis of SMEs from Ghana, Madagascar, Nigeria, and Senegal

Abstract Using Ghana, Madagascar, Nigeria, and Senegal as case studies, this chapter elucidates the dynamics of trade and women empowerment in Africa through a qualitative analysis that involved focus group discussions (FGDs) and key informant interviews (KIIs) with managers and employers, and employees of SMEs, as well as government officials and Trade Support Organizations (TSOs). After presenting the operational context of trade and economic performance in the four candidate countries, the barriers to women's participation in trade are discussed using the PESTLE framework. Our qualitative analysis shows that cross-cutting factors that influence job creation for women across the trade sectors include the nature of work, job demands in terms of physical strength and timing, and working conditions of employees. The chapter argues that trade has the potential to empower women. However, it finds that various challenges prevent women from maximizing the gains from trade and proposes that a strong public-private partnership is necessary for trade to lead to women empowerment.

Keywords Ghana · Madagascar · Nigeria · Senegal · Trade · Women's economic empowerment

4.1 INTRODUCTION

The increasing level of globalization and economic integration witnessed around the world, including developing regions, has offered varying opportunities, ranging from trade to capital flows and to diversification and other development opportunities (Omoke & Opuala-Charles, 2021). Participation in international trade provides employment opportunities, increases sectoral productivity, and subsequently boosts the growth process. African countries are known for their overreliance on a few unprocessed primary commodities, which represents 70% of the total continent exports (International Food Policy Research Institute [IFPRI], 2021). IFPRI (2021) identifies that most of the products exported are niche products with relatively small markets, while processed intermediate and final products mainly dominate the continent's imports. Although some of these imported products are further utilized for industrialization purposes, the continent has been deprived of enjoying increased employment opportunities and faster industrialization that are attached to exporting processed and final commodities.

It is also essential to highlight that intra-African trade accounts for about 13% of the total trade, suggesting that African countries trade mostly with non-African countries, although this estimate does not account for informal cross border trade. Women play a crucial role in trading of essential agricultural products and economic services across borders. Yet, the continent's trade potential is seriously undermined by the different constraints faced by women in trade in Africa. When compared with other regions of the world, including the Southeast Asian region (see Chapter 3), Africa experiences more trade-related bottlenecks, which limits the continent's contribution to global trade. Brenton et al. (2013) highlight that these trade barriers and constraints against women push them to the informal sector where they lack access to information, networks, and finances. Consequently, the informal sector, which is highly driven by women, contributes about half of the trade within the continent (Koroma et al., 2017).

Furthermore, UNCTAD (2022) shows that women feature extensively in trade in Africa, accounting for over 70% of informal trade in the region. Women are faced with different constraints, which discourage them from formal international trading and engagement in other economic activities. Also, Brenton et al. (2013) noted that women in the informal sector

are often extorted and harassed at the border and denied access to essential trade networks compared to men. In addition, women in production activities are less able to get the required inputs and materials that can raise their productivity and allow them to compete better in the international market. All these barriers or exclusion invariably limit women's contribution to African trade. In recent times, the African Development Bank has created programmes such as The African Women In Business Initiative (AWIB) and the Affirmative Finance Action for Women in Africa (AFAWA), designed to reduce the gender inequality gap and promote the activities of women in trade. However, the impact of trade and trade policies on closing the gap, and the contribution of women, remain low. This outcome is partly due to several structural factors which include employer discrimination, gender norms, cultural barriers, and lack of productive resources, but it is not the same everywhere. Hence, it is essential to investigate the various factors that can hinder the inclusion of women in trade in different countries.

This chapter utilizes the PESTLE (political, economic, social, technology, legal and environmental) framework to investigate the factors that affect women's inclusion in trade in Africa. The PESTLE framework is traditionally used in business to categorize, capture and partition macroeconomic issues that affect a business from its external environment (Perera, 2017) in order to come up with strategies to overcome them. By adopting this tool, the interest is to ensure that all issues affecting women's participation in trade are well captured in a systematic pattern. This enables comparison of the results across countries included in the case studies: Madagascar, Ghana, Nigeria and Senegal.¹

While the quantitative analysis using survey data (see Chapter 2) for this current research project provided information to bridge the gap in knowledge, the qualitative analysis in the current chapter follows the same approach as in Chapter 3. It uses the above four country case studies to further bridge the gap with evidence from focus group discussions (FGDs) and key informant interviews (KIIs). As in Chapters 2 and 3, the following main research questions of the research project were explored in this qualitative analysis: (1) Why—and under what circumstances—do some trade sectors create more jobs for women and others do not? (2) To what extent are the jobs created contributing to women's economic empowerment? (3) What strategies and policies are needed to ensure these sectors work optimally?

In the next section, the methodology and approach to the FGDs and KIIs across the candidate countries is presented. Section 4.3 presents background information on the operational context of trade and economic performance in the four candidate countries, while Sect. 4.4 unveils critical information about women in trade in Africa. This is followed by a discussion of barriers to women’s participation in trade in Sect. 4.5 using the PESTLE framework. Section 4.6 provides a detailed analysis and discussion of the results obtained from the FGDs and KIIs. The final section concludes with a brief overview of the main findings and policy implications.

4.2 RESEARCH DESIGN

Focus Group Discussions (FGDs) and Key Informant Interviews (KIIs) were employed to understand the challenges of women engaging in trade in the countries under investigation. The study areas in each country were cities of decent size, including capital cities as follows: **Accra** and Kumasi in Ghana, Antsirabe and Toamasina in Madagascar, Lagos and Kano in Nigeria, and **Dakar** and Ziguinchor in Senegal. In addition to complementing the evidence that emerged from the survey (see Chapter 2), the FGDs and KIIs are used to understand women in trade issues at a deeper level than we could access with the survey. The FGDs and KIIs are helpful for probing, adding meaning and deeper understanding to existing knowledge, or getting at the “why” and “how” of issues affecting women in trade. In addition, the FGDs and KIIs are a good way to confirm that the participants’ stated preferences during the survey are the same as their actual preferences even after the survey. This helps to overcome the dilemma where in some instances, some participants answer surveys with what they think the enumerator wants to hear, rather than their actual opinions.

The KIIs were conducted with government officials and leaders of Trade Support Organizations (TSOs). FGDs were organized as follows in each of the countries (Ghana, Madagascar, Nigeria and Senegal): (1) managers and employers (2) government officials and TSOs (3) employees: minimum of 2 FGDs with (a) women only (b) both men and women. It was ensured that key economic sectors—agriculture, manufacturing, and services—are represented in the discussions. The discussions mostly involved exporting SMEs. The participants were selected through

purposive sampling to ensure diversity in terms of gender, job roles, enterprises, and key economic sectors. The participants were assured of anonymity and confidentiality of the information provided.

4.2.1 Participants' Recruitment Process and Demographics

The participants were drawn from the sample of SMEs that were initially surveyed. Prospective focus group participants and key informants were pre-screened to ensure the selected individuals meet the target qualifications. The targeted participants were those that own or manage an SME that is export oriented and SMEs that are representative of the agricultural, manufacturing and services sectors. This selection process helped to ensure that the selected participants had more knowledge and understanding required in the discussion, which leads to higher quality data. In most cases, invitations were sent to participants by email with follow-ups by email and/or phone calls.

Eight FGDs were conducted in each of the 4 countries. In terms of composition, each FGD had between 5 and 8 participants and in terms of duration, each FGD lasted 1 to 1.5 hours. The discussions were facilitated by a team of trained experts and note takers. The facilitators and note takers were selected based on their level of skills and knowledge about the subject matter, fluency in the local language and the ability to conduct FGDs/KIIs. This makes it easier for the facilitators and note takers to observe the interactions between different group members, as well as recording what they say. A total of 152 participants from the 4 country case studies (Nigeria, Madagascar, Ghana and Senegal) participated in the FGDs and KIIs. The majority (60%) of the participants were female and this is in line with the overwhelming focus of the project on 'women in trade'. The participants were spread across the manufacturing, agriculture and services sectors with the manufacturing sector having the higher percentage (44%) of representatives followed by services (39%) and agriculture (17%).

4.3 CONTEXT²

4.3.1 *Ghana*

Ghana borders Burkina Faso, Cote d'Ivoire and Togo, and is identified by the World Bank as a lower-middle income country. Similar to other African countries, Ghana has been traditionally known to depend on the exports of a few primary commodities, although there is evidence of transition towards exporting intermediate or final products. 46.16% of the total exports of Ghana in 2019 were raw materials, while 45.26% were intermediate goods (WITS, 2019). In fact, the World Integrated Trade Solution highlights that Ghana's major export locations are China, Switzerland, India and South Africa, while the top countries Ghana imports from are China, the US, the United Kingdom, India and Belgium. More efforts towards increasing the exportation of intermediate goods are currently in force, as seen in the ratification of the AfCFTA. With the latest publication of the Global Enabling Trade Report in 2016, which reveals the extent to which countries have the capacity to facilitate trade, Ghana was ranked 100th out of 136 countries. Ghana was also ranked 106th of 160 countries by the World Bank Logistics Performance Index report of 2018, which also identifies the capacity of countries to efficiently move goods and services and connect with consumers and producers.

Although this position is higher than some other African countries, hence proving Ghana's better relative trade performance, there is still a need to do more to increase its export capacity, involving more people in trade, and networking with potential consumers and producers. Ghana's trade openness has been on a declining trend since 2000 with a lot of fluctuations over the years. However, the country has run a trade surplus in the last few years, with gold, cocoa and oil being the leading exports. Average growth over the period 2010–2019 was 6.8% and the country quickly rebounded from the pandemic with a growth rate of 5.4% in 2021. Absolute poverty has declined significantly since the early 1990s but has remained fairly stable at around 25% from 2012 to 2016.

4.3.2 *Madagascar*

Madagascar is the only low-income country among the countries selected for analysis in this chapter. Like many other African countries, the development drive has made Madagascar network with other countries within

and outside Africa. Although about 93% of its exports are to countries outside Africa, ratification of the AfCFTA has revealed its consistent efforts towards improving trade, especially with countries within the continent. As of 2020, the World Integrated Trade Solution notes that Madagascar's top exports destinations are France, the US, Germany, China, and Netherlands while the top five major countries from which the country imports are China, India, France, United Arab Emirates, and South Africa. Following the rankings of the Enabling Trade Report of 2016, Madagascar was ranked 109th of 136 countries. In 2018, the World Bank Logistics Performance Index ranked Madagascar 128th of 160 countries.

In recent years, the country's trade openness has improved. The government encouraged diversification in the economy by promoting free zones in the early 1990s to ensure an increased trade performance and the drive towards development. Foreign investors were also given tax breaks to encourage viable investment opportunities in the country (OECD, 2006). Madagascar also signed a series of trade agreements, including with the European Union (the "Everything But Arms Initiative") and the United States (the African Growth and Opportunity Act). It is also essential to highlight that the country has attracted many firms due to the signing of trade agreements and its relatively low wage levels (OECD, 2006). However, it has continuously run trade deficits over time, in part because of a heavy dependence on fuel imports. Madagascar's average growth rate from 2010 to 2019 was 3%, and after a negative growth rate of 7% in 2020 as a result of Covid-19, growth rebounded to 4.4% in 2021. Investments in infrastructure, mining and tourism have driven growth in recent years but the majority of the population (70–80%) lives in absolute poverty, making Madagascar one of the poorest countries in the world.

4.3.3 *Nigeria*

Nigeria, due to its sheer size, is one of the economic and trade giants in Africa. Nigeria accounts for about 200 million out of the continent's 1.3 billion population. Through mining and agricultural activities, the country provides crude oil and other inputs, such as agricultural products, for industrialized economies. As a result, a number of countries within Africa and outside the continent have networked with Nigeria to

strengthen the relationship between them. According to the World Integrated Trade Solution, Nigeria's top exporting destinations in 2020 were India, Spain, Netherlands, South Africa, and China, while China, the US, India, Netherlands and Belgium were the top importers.

However, Nigeria is performing poorly in trade facilitation, and ranked 127th out of 132 countries in the 2016 Enabling Trade Index (Weforum, 2017). The index measures the capacity of a country in terms of the institutions, policies and services, which are key drivers of flow of goods over borders. Furthermore, in the World Bank Logistics Performance Index of 2018, which measures the trade logistics efficiency of countries, Nigeria ranked 110th out of 160 countries. Both statistics show that trade facilitation is weak compared to comparable countries. Nigeria's trade openness (measured by trade as a percentage of GDP) has fluctuated over time and declined in recent years. The decline in trade performance, tied to lower oil prices, is highly linked to the decline in economic performance (Khobai et al., 2018; Omoke & Opuala-Charles, 2021).

This has led the government to make significant efforts to ensure an excellent relationship with other countries, which subsequently influences their trade performance. For instance, the country has been having a series of conversations to reduce trade barriers. This effort was evident in the recently ratified WTO Trade Facilitation Agreement on January 20, 2017, amended WTO agreement on Trade-Related Aspects of Intellectual Property Rights 1994 (TRIPS) Agreement on January 16, 2017, and the African Continental Free Trade Area Agreement (AfCFTA) in December 2020. The country also has 15 bilateral investment agreements currently in force with 31 countries. Overall, the country's trade performance, including its overreliance on oil, still needs significant improvement in order to further increase the performance of the economy. Average growth from 2010 to 2019 was 3.6% but this was less than half of what had been achieved in the previous decade. The most recent estimate put Nigeria's absolute poverty rate at around 30% for 2018, which would amount to more than 60 million Nigerians living in absolute poverty in that year. Growth was 3.6% in 2021, after a negative growth rate of about 2% in 2020.

4.3.4 *Senegal*

Being a country bordering the North Atlantic Ocean, Senegal has access to many trade opportunities. However, Senegal was ranked by the

Enabling Trade Index in 2016 96th out of 132 countries that have the capacity (in terms of the institutions, policies and services) to facilitate the flow of goods over borders and to their destinations. The World Bank Logistics Performance Index, which measures countries' trade logistics efficiency, also ranked Senegal as 141st out of 160 countries. These statistics indicate that trade facilitation is weak in Senegal, and the low ranking in logistics might partly explain the country's low trading performance. Since the early 1990s, the extent to which Senegal is opened to trade has been increasing, but unstable. According to the World Integrated Trade Solution, Senegal's top export countries are Mali, Switzerland, India, China, and Australia while they imported majorly from France, China, Netherlands, Belgium, and Nigeria in 2020. Senegal has also signed regional and international trade agreements with many countries.³ Senegal's average growth rate was 4.8% from 2010 to 2019, and fell to 1.3% in 2020 before a strong recovery to 6.1% in 2021. Absolute poverty has declined significantly over time and was less than 10% in 2018.

4.4 WOMEN IN TRADE IN AFRICA

Whether trade liberalization has an overall positive impact on the economy or not is still under debate. However, one of the notable conclusions that has been identified in the literature is that the extent to which a country can benefit from trade depends on how inclusive its trade policy is, and by extension other crucial factors that influence the involvement of people, especially women, in trade (Acharya et al., 2019; Amakor & Onwuzuligbo, 2019). In this subsection, we focus on how to benefit from trade and address critical factors that reduce the involvement of women in trade in Africa.

In the last two decades, the Sub-Saharan African region has experienced strong economic growth (Adekoya et al., 2022) but it had already started slowing down before the Covid pandemic (World Bank, 2022). When it comes to the role of women in trade, there is increasing need for gender mainstreaming in the recent trade policies and reforms in the region. For instance, the World Bank and World Trade Organization (2020) disclose that the African Continental Free Trade Agreement (AfCFTA), which connects 54 countries in Africa that comprise roughly 1.3 billion people, would make it the largest free trade area globally and would promote the participation of women in trade (World Bank, 2022). More specifically, the agreement has the potential of creating viable jobs

for female workers, thereby increasing the worth of female-dominated labour-intensive sectors. With an expected expansion of outputs in these sectors, there would be a rise in the wages for female workers, so that by 2035, there would be about 4% and 3.7% growth in the wages accruable to skilled and unskilled female workers, respectively, in comparison with a 3.2% growth for the male workers. Empirical reports also reveal that, in recent years, entrepreneurial activities have been on the increase (Jaiyeola & Adeyeye, 2021), with women taking a significant participation (Tende, 2016).

4.4.1 *Overall Female Employment*

Despite the increasing consideration of women in trade in Africa, the proportion is still low for many key sectors of the economy when compared with other countries of the world. On average, Sub-Saharan Africa (SSA) appears to be doing well in terms of overall women employment, as observed in Fig. 4.1, where the average women employment rate between 1991 and 2020 is 58.51%, following the 60.28% for East Asia and the Pacific (EAS), and followed by North America (NAC).

The trends over the years (Fig. 4.2) seem to strengthen this information, as MENA is consistently behind other regions, whereas SSA and EAS consistently compete for the top. The SSA seems to be improving its performance especially since 2005 when its total female employment rate began to match up with that of EAS.

4.4.2 *Sectoral Female Employment*

Although the share of females in total employment is fairly high, especially in SSA, compared to other regions of the world, the available data reveals that the employment rate is unevenly distributed across sectors. The informal sector of the economy tends to be the major destination for women's employment through trade and other job engagements, while they are marginalized in other viable sectors. The agrarian nature of the African clime is obviously reflected in the overwhelming engagement of women in agricultural activities. Thus, a higher proportion of women in total female employment in the agricultural sector is found in Africa. In Nigeria, for instance, the dominance of women in the processing and marketing of food is around 75% (Olaosebikan et al., 2019). The entire SSA region has women producing about 80% of food (Ali & Ali,

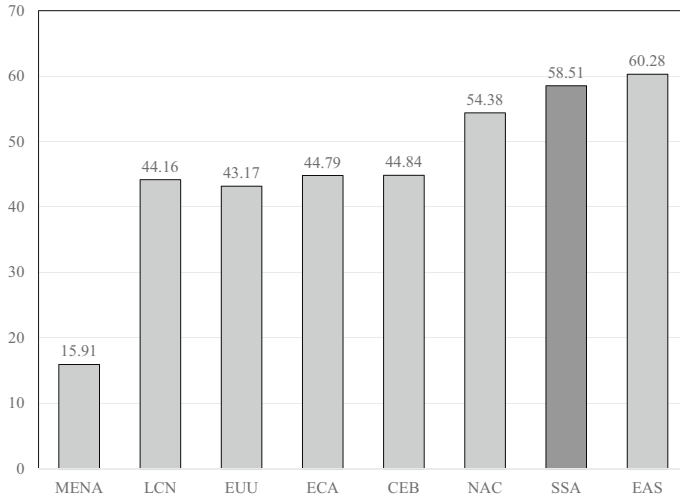


Fig. 4.1 Regional overall women employment rate, 1991–2020 (*Source* World Bank, 2022). *Note* Middle East and North Africa [MENA]; Latin America and Caribbean [LCN]; European Union [EUU]; Europe and Central Asia [ECA]; Central Europe and the Baltics [CEB]; North America [NAC]; Sub-Saharan Africa [SSA]; East Asia and the Pacific [EAS]

2013). Margolis and Buckingham (2013) uncover that agriculture serves as the means of livelihood for about 50% of African women who are economically agile.

The employment situation appears to be reversed for the industrial and service sectors whereby female employment lags other developing regions. The general assertion that men are physically stronger than women (Li, 2021) could partly be the reason for this low outcome, and especially where the use of capital and technology is more limited. The ranking is not better for services, except that globally more women render more services than they are involved in industrial activities. SSA still records the least value (31.96%) followed by EAS (40.99%) and MENA (56.27%), in that order. NAC and EUU top the list with values of 88.28% and 77.40% (World Bank, 2022).

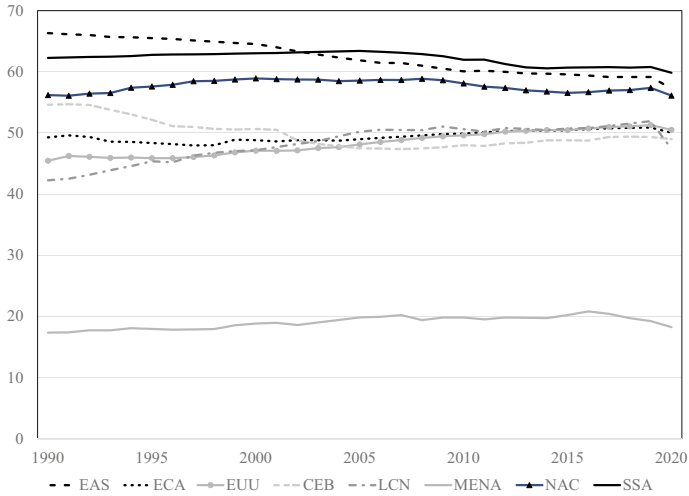


Fig. 4.2 Trends in regional overall women employment rate (*Source* World Bank, 2022)

4.4.3 Wage and Salaried Female Workers

As trade also affects the wages and salaries paid to economic agents, it is important to also comparatively examine the wage distribution of the population across the world regions. Figure 4.3 shows that a low proportion of African females in economic activities are in wages and salaries employment (World Bank, 2022). This low share in Africa is largely due to the nature of employment, which is dominated by self-employment, and is mostly agrarian. Another plausible reason for the huge wage-gap is that most of the women's activities are informal—where productivity tends to be lower.

4.5 BARRIERS TO WOMEN'S PARTICIPATION IN TRADE

It is essential to note that the participation of women in trade in Africa is still low when compared with many other developing regions of the world. Following the global drive for the reduction in gender inequality (SDG 10), women are increasingly being supported, encouraged, and induced to participate in economic activities in order to close

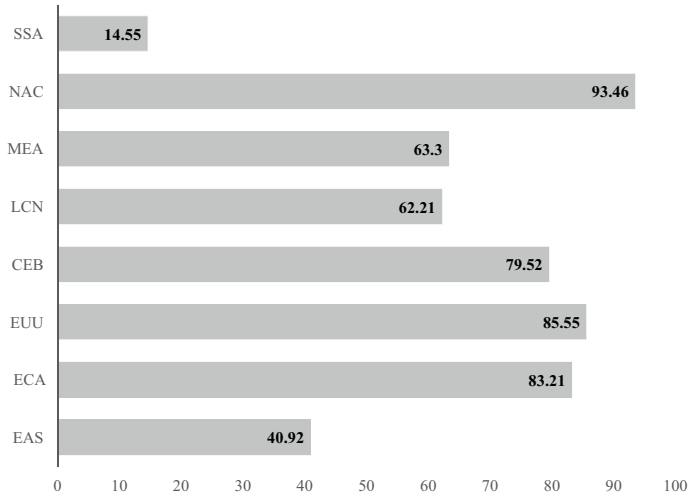


Fig. 4.3 Share of wage and salaried female workers across regions (*Source* World Bank, 2022)

the gender gap. Subsistence agriculture, where a high proportion of women is employed, has limited the impact of agriculture on economic performance, welfare, and poverty. Furthermore, inherent bottlenecks along the path of women's engagement in trade in Africa, resulted in more women engaging in informal trade. Consequently, few women are involved in trade in the industrial and service sectors. Similarly, Randriamaro (2008) argues that the benefits women derive from trade are limited due to issues relating to institutional, economic, regulatory, cultural, and unfriendly policy environments. The next subsections investigate these barriers using the PESTLE (political, economic, social, technology, legal and environmental) framework (Perera, 2017).

4.5.1 *Political Barriers*

Most African nations still fall behind when it comes to women's participation in political engagements and decision making, Women only account for an average of 20% of the political participation at whatever level of government (African Barometer, 2021). There is often a hidden denial of equal access to political activities and decisions, even though it appears

that the constitution openly declares equal rights and opportunities. Culture, social attitudes, limited access to education, nomination criteria, etc. are contributory factors to this. The high prevalence of corruption, in most African countries, is a major barrier against women, as they are mostly subject to further exploitation when compared to men. Moreover, there is also evidence that exploitation of the human body, sexually or otherwise, can be used as a currency in corruption (UNODC, 2019), which is further being exacerbated by the growing insecurity. Rising incidences of terrorism, domestic and regional conflicts, military takeovers, etc. are sources of insecurity, which impede women in trading activities.

4.5.2 *Economic Barriers*

The cost of starting a business in Africa and of trading is much higher than in the OECD and East Asian countries (OECD, 2021). Given the disadvantaged position of women in Africa, trading becomes more challenging. For example, when compared to other developing regions of the world, most African women lack sufficient credit facilities. Oftentimes, since they are not allowed to own lands, valuable property or even inherit properties, they do not possess the collateral to obtain sufficient loans for their trades. Also, access to credit in the private sector is usually limited and concentrated in a few large firms, and is associated with several bottlenecks to access. The degree of social, and gender inequalities in Africa, mostly triggered by culture and income disparities has been a critical factor undermining access to finance by women. This is further worsened by poor trading networks, lack of access to market contacts, lack of a standardized trading system that can easily link female traders with buyers. An attempt to provide standardization in these markets via trade liberalization has been discovered to decrease wages mostly for low-skilled jobs with weak bargaining power. For example, in Africa, a decrease in tariffs on labour-intensive imports led to higher job losses for women than for men (UNCTAD, 2020).

While the AfCFTA is likely to drive tariffs down, it will also facilitate an easier trading system for small traders. The agreement provides affordable channels for informal traders (which are mostly women) to do business via organized and formal routes, thus dealing with the existing vulnerabilities that women in cross-border trade often experience, such as violence and harassment. Though the merits of AfCFTA might not be immediate, its long-term benefits cannot be ignored. Volatile exchange rates could

have diverse effects, depending on many factors. Generally, they result in exchange rate risk, which makes participation in foreign trade and investment difficult. So does stiff foreign competition through imports, and as most countries in Africa rely on imports, domestic production is stifled out.

4.5.3 *Social Barriers*

Many women engaged in trade within Africa are faced with discrimination, especially at borders. For instance, Higgins and Turner (2010) observe for East Africa that females trading across borders are often pestered to pay higher bribes than the male traders or avoid detention and/or confiscation of goods through the provision of sexual favour. Insufficient transport facilities, high cost of transportation, unofficial roadblocks, and movement restrictions are common practices by security officials in some African countries, some of which were further worsened by COVID-19 restrictions. The COVID-19 pandemic contributed to reducing employment and livelihoods for women, especially for low-income women in the border districts in the year 2020 (Luke & Macleod, 2021). These small informal traders were particularly vulnerable to movement restrictions and border closures imposed by most African countries. The effects of the pandemic further aggravated existing vulnerabilities. The impact of COVID-19 was more prevalent on women because of existing gender inequalities, such as limited educational opportunities, lower wages for women, restricted access to finance, higher dependence on informal employment and social constraints. Until recently, with the increased awareness for girl-child education, education was believed to be more important for the male child. Culture, social values and beliefs, etc. contribute to poor education and limited access to training for women. As many African tribes believe substantially in traditional values, many cultures and religions place limitations on what women can do, own, control, and achieve.

4.5.4 *Technological Barriers*

Lack of modern and advanced preservatives for perishable products has resulted in poor agricultural outputs, which is the most prominent trading activity by women in Africa. Similarly, lack of access to modern and sustainable energy sources, such as solar energy, exacerbates women's

poverty in the region, which further hinders their ability to afford these modern, expensive sources of energy. Yet, electricity is not regular and stable in many African countries. Slow technological advancements, especially for agricultural implements and fertilizers, have made subsistence farming activities to be the most prominent in the region, thereby causing a barrier to expanding trade.

4.5.5 *Legal Barriers*

Favourable, and continuity in, government policies are difficult to come by in some African countries, making trade policy uncertain, which adversely impairs performance. Women, on the other hand, are more disadvantaged in terms of access to the judiciary to seek redress against unofficial fees and harassment. Excessive trading documentation, long procedural filing and processes, difficulty in obtaining licences, and burden of taxes and tariffs which hinders trading activities and increases production cost, are also more prevalent among female traders, considering the time they require for other household obligations. According to the World Bank (2013) report on Women and Trade in Africa, and further confirmed in Warren et al. (2019), an overwhelming percentage of cross-border traders are women, with weak security at the borders resulting in smuggling and other vices; these female traders are subject to violence, attacks and other kinds of physical harassment. Smuggling, however, further increases informalities in trading activities, both of which compete with domestic trade.

4.5.6 *Environmental Barriers*

The consequences of climate change have a severe environmental impact on trade, especially primary produce traders. Consequently, factors such as flood, drought, heatwave, pollution, which adversely impact agricultural output, aquatic animals and damages the irrigation system, constrain productivity in farming. It is noteworthy that in many African countries the majority of small and medium-scale farmers are women. Likewise, women are more vulnerable to certain adverse weather and climatic conditions than men, they are more susceptible to partner violence, poor mental health, occupational health hazard and food insecurity following extreme weather events, which limit their performance.

4.6 KEY FINDINGS FROM QUALITATIVE ANALYSIS

The qualitative data obtained from the FGDs and KIIs was analyzed using thematic analysis. This ensured that consideration is given to popular opinions from participants, in line with the research questions posed. The theme-specific summary of some of the highlights is presented below. In addition to presenting the findings by theme and by country, we elaborate more on the commonalities/differences across countries. This is presented in the cross-country analysis section for the different themes.

4.6.1 *Modalities and Conditions for Trade Sectors to Create Jobs for Women*

The data on sectoral employment presented earlier reveals that over 50% of African women who are economically agile rely on agriculture. While there is enormous evidence of the existence of this disparity, reasons for these remain under researched. Thus, the concern, which is the first question of the current research, becomes, why do some trade sectors create jobs for women and others do not? The themes that emerged from the analysis are job requirements; engagement in export; and working conditions.

Job Requirements

In the case of Kumasi, **Ghana**, all the managers of the SMEs indicated that their sector of work is conducive to the creation of jobs for women and that it wouldn't matter if they are producing for export or local market. However, the arguments went in the direction that sectors such as cosmetics, food clothing/fashion are more conducive to the creation of jobs for women. On the other hand, the situation in Accra, Ghana was different. Here, the participants pointed heavily towards the service sector as being most attractive to women. One of the participants opined that most women-owned businesses are into the service sector and small-scale production because they are risk-averse and lack the needed funding and financial support including the restrictions of collateral associated with accessing loans from financial institutions. Another participant explained that women preferred to work in services because of the perception that manufacturing jobs are male-dominated, and that they feared competition.

For **Madagascar**, discussions also centered around the fact that some industries are more conducive for women due to the nature and requirements of the job. The industries where women are concentrated are textile and food processing. Concerning the textile industry, an FGD participant from Madagascar made the following statement,

Yes, I think that handicrafts are one of the promising sectors for job creation for women. The first reason is that women are more competent than men in this field, especially in the production of traditional hats, tablecloths, “rafia” bags, and “Lamba Landy” (scarves), products solicited by Americans and Europeans. These products are at the same time easy to elaborate on. And it is easier for exporters of handicrafts to obtain authorization from the Ministry of Trade.

Another participant who shares the same view also added that jobs such as sewing, and embroidery are also dominated by women in Madagascar. Managers who are into vanilla export also opined that they prefer to employ women as they believe women pay more attention to sensitive jobs than men. Some participants opined that the IT sector in Madagascar is not conducive for women. Given that the IT sector does not require physical strength or heavy lifting, it is not clear why the sector was singled out as the industry that is not conducive for women. It is evident that there are other forces at play, which serve as a barrier to women participating in the sector. Some of these barriers, as observed from discussions, include the nature of the job, which requires high level of dedication, education and time. Female participants noted that dividing their time and attention between work and family puts them at a disadvantage over men in competing for these types of jobs. The conclusion from the discussions points towards the direction that the IT sector demands high level of mental concentration and attention, and women do not have the luxury of time to accommodate such demands due to family pressure and other domestic tasks. Furthermore, women have lower formal education attainment than men in Africa which may also be the reason for lower representation in the IT sector (Baten et al., 2021).

From the discussions in **Nigeria**, there were comments which pointed towards the fact that type of industry sectors/job requirements may help explain the reasons why some trade sectors create jobs for women and others do not. For instance, some of the participants believe that jobs or sectors where there are constant requirements for overtime are not

favorable for women. In validation of this, one of the male participants who is a business owner had this to say,

In terms of overtime, it favours men as they have the ability to do more.
(Male FGD participant from Nigeria)

This statement goes to reinforce possible recruitment bias that male business owners have over employment of men in Nigeria. In line with this, another participant cited a situation in her company where accounting jobs in her organization are only given to men:

Where I work, management prefers a male accountant as they always work late at night every day and are ready to put in longer hours to meet up with tasks which may be unpaid. A woman will not be able to do that, especially if she has a family to take care of. (Female FGD participant from Nigeria)

Furthermore, the requirements of the job in terms of physical strength were also raised by participants in Nigeria. They opine that it is very common to see fewer women in certain sectors like construction, engineering and transportation, where more physical strength is required. One of the participants argued strongly that women will always be underrepresented in sectors like transportation. Another participant who is from an engineering background inferred that even when women are employed in the engineering sector, it is usually in the departments where less physical energy is required. Moreover, there was a consensus among the participants in Nigeria that sectors such as food processing, services and agriculture are the industries which favour women. This active involvement of women in the food and agricultural export processing sector was attributed to innate abilities—such as patience and attention to details—possessed by the women. The service sector was found to be another sector which also favours the employment of women since they have the qualities needed such as care, empathy and compassion. It is therefore evident that the requirement of the job in terms of physical strength is a strong determinant of the employment of women in certain sectors in Nigeria. A surprising fact from the discussions is the underrepresentation of women in the art industry, despite the fact that this industry requires little physical energy. One of the participants (female) who exports art mentioned that the industry “...is not conducive because it is like most

women are forced into the business". The participant further explained that art is not encouraged in Nigeria, as parents do not see it as a rewarding career, especially for women.

In the case of **Senegal**, the managers and employers who joined the focus groups told us that the manufacturing (processing) sector is more conducive to job creation for women. The arguments were that these activities are more dedicated to women. One of the FGD participants in Senegal cited an example in the processing of local products and fisheries where women comprise most of the workers in this sector. The establishment of these companies that are export oriented and within a sector considered conducive for job creation for women is welcome news. Nonetheless, in Dakar, Senegal, a few participants argued that agriculture and services are more dominated by men as they require more physical labor than processing. Meanwhile, in Ziguinchor, the agricultural sector was cited as conducive to job creation for women by managers of businesses in the sector who were part of the FGD. Although it was not very clear why this little variation exists in the same country, a clear trend in discussions is that the nature of what is being produced has a great impact on whether women are adequately or under-represented in a sector. Thus, these variations could be attributed to the nature of what is being produced in the two regions.

A cross-country analysis of the research findings shows that in terms of job requirement, some industries are better suited for women than others. Industries or jobs that require less physical effort, have lesser competition, and require extra special care have been cited as the attractive factors to women. The majorly mentioned industries are agriculture, textiles (clothing), and food processing. These were common among the four countries. In terms of differences across countries, it was only in Nigeria and in Accra, Ghana, that the service sector was heavily cited as among the attractive sectors for women. There were some mentions of the service sector as well in Dakar, Senegal but it was not cited as a case in Ziguinchor. The same situation happened in Ghana where it was not also clear why Kumasi and Accra would have variations in responses with regards to industries that create more jobs for women. This could be attributed to possible structural differences in the two regions, as Accra and Dakar, are the capital cities and thus, likely to be more service oriented than Kumasi and Ziguinchor. With these, it could be safe to argue that job requirements can explain why some industries (exporting or not) create more jobs for women and others do not.

Engagement in Export

Exporting is one of the forms of organic growth of a firm. Many, if not all of the participants acknowledged the importance of exporting in job creation for women. The participants said that exporting opens up new markets, creating higher demand, which in turn leads to more job opportunities. While the data shows a consensus toward the notion that exporting creates an equal chance for both men and women alike, some participants strongly believe that women benefit more than men from exporting as it opens up opportunities (especially in the agricultural sector) that would not have been there if firms were not exporting.

In **Ghana**, participants agreed that when engaged in exports, demand will be higher, leading to the creation of more jobs that will employ women. However, they also noted that this depends on the type of sector the firm is operating. Participants from **Madagascar** believe that exporting gives woman an advantage in certain sectors such as textile/clothing, and increases the chances of more women being engaged in gainful employment than men. FGD participants from **Nigeria** noted that women do more on the processing of goods for exports, especially agricultural produce such as fish and shea butter, therefore exportation of these products benefit women more than men. And in **Senegal**, discussions went in the direction that since exportation requires a large quantity of production, the demand for labor for exporting firms will increase, and this will translate to increase in number of women, especially in the processing sector. In summary, there is a consensus from all the countries that exporting may be more beneficial to women than men. This is especially true for sectors such as agriculture, where more women are involved.

Work Conditions

In the case of **Senegal**, some managers pointed out that there are no differences in terms of working conditions across different industries, since they are regulated by the labor code. They noted that it does not matter whether the firm is exporting or not as there is a central regulation and standard across the board. This was the same conclusion in **Ghana**. In summary, in countries such as Ghana and Senegal, cases of harassment and abuse of women were not cited by the participants. This was only peculiar to Nigeria and Madagascar. The harassment of women at work was heavily emphasized for **Madagascar**. The participants noted that it is one of the serious challenges that women face in the workplace.

However, this was not attributed to a particular industry, and it did not matter whether the firm was exporting or not. Speaking on this issue from Madagascar, one of the FGD participants noted the following, “*Women are still underinformed. They do not receive special support in the sector. But more importantly, there is still harassment of women in the office*”. In **Nigeria**, while both men and women are motivated to work in businesses with good work conditions, men are found to be more tolerant to unfavorable work conditions than women. Thus, work conditions can be said to be a good determinant of the extent of women employment in a particular firm or sector. For instance, a participant highlighted that women are more prone to harassment and sexual abuse, withholding of sick or maternity leave, and forced to work overtime. When probed further, she disclosed that it would not make any difference even if her company was not exporting as this was a management problem. However, this was only peculiar to Nigeria and was a minority opinion.

4.6.2 Impact of Trade Sectors on Women’s Economic Empowerment

Trade has the potential to accelerate women’s empowerment by creating new jobs, improving consumer choices, increasing women’s bargaining power, and improving their well-being. To realize such potentials, however, trade policies that promote gender equity and reduce discrimination against women are required. Otherwise, trade may result in job losses for women as well as a concentration of women in lower-skilled jobs. This section presents the qualitative case study findings on how trade contributes to women’s economic empowerment.

Access to and Control Over Productive Resources

Promoting women’s access to, use of, and control over, productive resources such as land, skills and education are essential to ensuring their right to equality, increased participation in exports, and improved standard of living. Based on this premise, we sought to understand how jobs created for women through trade are contributing to reducing pre-existing gender disparities in access to, and control over, land, as well as access to other productive resources and services. Also, the FGDs and KIIs reveal that most jobs created within the trade sector for women are low skilled and do not contribute significantly to reducing inequality and improve women’s access to skills and education. Information gathered during the FGDs indicates that discriminatory practices that give women

less access to productive resources than men is still widespread. This suggests that although trade is creating jobs for more women in Africa, women are not equally empowered to be competitive and productive like their male counterparts.

Moreover, female employees within the African trade sector hold a disproportionate share of lower-skill jobs. The gain of these women from jobs within the trade sector can be maximized through policies and practices that increase women's access to, and use and control, over productive resources. Such policies and practices should promote increased access to education, training, skill acquisition, adoption, and use of technology by women. Positive changes in sociocultural attitudes and investment in digital education were also identified as keys to building human capital needed by women to benefit more from trade related jobs.

Access to Decent Work

While evidence from the case studies across Ghana, Madagascar, Nigeria and Senegal reveals that exporting SMEs are expected to create more jobs for women than non-exporting SMEs, this study further assessed the level of decency of such jobs. Majority of the FGD/KII participants opined that the work environment, hours of work, health and safety standards, and overtime pay are not significantly different in firms that export in comparison to firms that do not export. Some quotes from the participants from the Nigeria and Senegal case studies reiterate the issues as follows:

The working conditions in terms of safety standards and health standards are the same. (Female FGD participant, Nigeria)

We work overtime according to market demand but the extra-worked hours are not paid. (Female FGD participant, Senegal)

Only very few of us receive bonuses according to the turnover of the company. (Female FGD participant, Senegal)

Employers are only concerned about getting the work done and completing the tasks. Unfortunately, the extra working hours you put in to get the work done is not paid for. (Female FGD participant, Nigeria)

Similar experiences were shared by female employees in Madagascar particularly in the service sector. For example, an employee revealed that *"I work as a service provider and I have to ensure the objectives. Sometimes*

it takes me a whole day to finish my work. So I cannot say no to overtime. As long as my target is not met, I have to keep working". Another female employee in the service sector in Madagascar equally added that "*I work a lot and overtime does not exist*".

In addition, most of the employees considered their work conditions such as health benefits and safety standards inadequate. Some complained that their working hours are unreasonable, and they are unable to say no to overtime. While some sectors have unions (particularly in Madagascar and Ghana), majority do not have unions because they are 'contract staff'. Some of the employees are not aware of trade union organizations that exist in their sectors.

Very few employees have formal contracts ... as a result, most do not benefit from social benefits such as paid leave, bonuses, withdrawal payment, health insurance, etc. (Female FGD participant, Senegal)

... we cannot create a union if we do not have a formal contract. Indeed, we are afraid of losing our job in an era where it is very difficult to find a job. (Male FGD participant, Senegal)

However, in Senegal (Ziguinchor), most employers pointed out that "*although companies that export are more demanding, they respect health conditions and safety standards more than companies that do not export*". Moreover, it is noted from the analysis of the results from Ghana that employees alluded to the fact that the work conditions in firms that export are quite different from firms that do not export. Some of the quotes from Ghana are: "*They are not the same. Workers at the exporting sector are always provided with appropriate PPEs. This is because exporting firms have higher profit margins, and they can afford to buy the PPEs for their workers but workers that produce for the local market are usually not provided with PPEs*". Other female participants added that "*when you are producing for exports, certain certification requires you to add to the production design certain things such as the business surroundings, the working hours of workers and other safety standards before the certificate are issued to you. However, these do not exist when you are producing for the local market*". As revealed by some of the quotes, these differences were attributed to export orientation of the firms and regulations.

Gender disparities in salaries and wages, access to opportunities, and promotion in the workplace were all investigated further. Our analysis

indicates that many female employees earn less than men in comparable roles and organizations. The majority of participants in the FGDs attribute most of the disparity in remuneration to occupational segregation, education, and sociocultural attitudes. Some participants argued that men and women have equal chances of occupying supervisor/management roles in their firms, whereas access to opportunities and promotions is determined by individual competencies. However, even though some firms, particularly women-owned/managed firms, give equal opportunities for women to take on leadership roles, many female employees are being left behind despite their competencies and because of family demands. Even the competent women that qualify for opportunities and promotions are less likely to think they will get the promotion than the men with similar aspiration.

Some women have the belief that certain positions are designed for the men alone. They do not aspire to get there neither do they willingly accept the offer even when such opportunity comes their way. (Male FGD participant, Nigeria)

Control Over Their Own Time and Income

According to UNWomen, women's economic empowerment includes women's ability to exercise control over their time and income. Based on this premise, the case study explored the ability of women to exercise such control over their time and income from jobs within the trade sector. Evidence across Ghana, Madagascar, Nigeria and Senegal shows that many factors contribute to the ability of women to decide on the use of their time and income. For instance, in Nigeria, some of the participants opined that "*in a majority of cases, women often have to consult their husbands and sometimes other family members on what to spend their income on and how to spend the income*". Another male FGD participant from Nigeria opined that "*many women do not have the liberty to decide on savings and investment from their earnings*".

Evidence from the Senegal case study reveals similarly trends of women not exercising absolute control over their income. A female FGD participant laments that "*I use most of the salary received to meet the needs of the family, including children's schooling, household food, daily expenses...*". These experiences suggest a violation of women's economic rights which upholds women's right to work; the right to just and favorable conditions of work; the right to equal pay for equal work; the right to rest and

leisure. In addition, having an independent income gives women better control and autonomy over their lives. In the case of Ghana, we found that most of the women exercise control over their time and income but such freedom is constrained by family obligations. Allowing women to have an independent income and the freedom to decide the use of their income is necessary for their empowerment. This could enhance their access to education, access to healthcare, investment in productive assets and improvement in their personal and household welfare. The ability of women to control their income could also make them better financially secured and make choices that improves their lives. In addition, women's economic right goes beyond right to work. It encompasses rights to food, rights to housing and rights to adequate standard of living, all of which are dependent on their right to exercise control over their income.

Increased Voice and Meaningful Participation in Economic Decision-Making

Women empowerment is expected to facilitate the voice of women in decision making and improve women's ability to negotiate better work conditions for themselves. Results from the FGDs and KIIs further speak to this issue. Our analysis assessed women's ability to advocate for themselves, whether for new roles, new projects, promotions or raises in remuneration. It also assessed the ability of women to stand their ground and speak up for issues they feel strongly about. Most of the participants in the FGDs/KIIs, particularly the female employees, opined that they have limited opportunity to express their opinion and participate in decision-making at work. This suggests the opinion of the women may not be sought while decisions that affect their jobs are being taken by others.

Participants from **Nigeria** opined that some women lacked confidence in themselves and their abilities to voice their opinion, and majority of the participants noted that women rarely have the opportunity to negotiate for a raise in their income, demand payment for overtime or promotion at work. A female FGD participant mentioned that "*most employers believe in top-down approach to decision making in the workplace. Even in issues that affect the workers welfare. We are only told what to do and what not to do after decisions have been taken by the management in our absence*". Evidence in the case of **Madagascar** further reveals that women have limited opportunity to express their opinion, but the manager often exercises the power of decision-making at work. In the case of **Senegal**, the

narrative was different: the majority of the employees that participated in the FGDs confirmed that they are able to voice their opinion during staff meetings and make decisions according to their level of responsibility at their workplaces. The evidence in the case of **Ghana** was mixed. While the FGDs from Accra shows that the women employees generally have an opportunity to express their opinion and participate in decision-making at work, the FGDs from Kumasi show otherwise. For instance, a female FGD participant in Accra stated that *“we are free to express our opinions at work regarding working conditions, products and participate in decision making at work”*. Conversely, a female FGD participant in Kumasi stated that *“I don't usually have opportunity to express my opinion on certain issues. No prior notice before taking some decisions. For instance, management can move workers from my department to another department without prior notice”*. The opinion of low participation of women in decision making in the workplace was shared by most of the participants from Kumasi.

The overarching evidence from the case studies shows that women rarely have the opportunity to participate meaningfully in decision making at their workplaces. This undermines the ability of women to speak up and ensure that their voice is heard over issues that affect their wellbeing and demand for better work conditions. Women need a stronger and significant voice in the workplace so that they can influence change and demand improved work conditions.

4.6.3 *Effective Strategies and Policies to Enhance the Impact of Trade Sectors*

Achieving gender equality in trade participation requires intentional policies and strategies from both the government and TSOs. According to the PESTLE analysis conducted earlier on the barriers to women participation in trade, it was found that women are faced with numerous challenges in trade participation that span across different factors such as institutional, economic, regulatory, cultural, and policy environments. This section presents the opinion of participants on these challenges and the right policies and strategies that will ensure increased participation. The themes that emerged under this question are grouped into two categories: recommended government policies and strategies needed from TSOs.

4.6.4 *Recommended Government Policies*

Popular opinions from participants in both the FGDs and KIIs point towards the government as the key actor required to provide the enabling environment for women owned businesses to thrive. The themes that emerged under this category are discussed below.

- *Facilitation of access to information*

Without the right information, no one can achieve a significant feat in any endeavor. On many occasions participants from **Nigeria** lamented the difficulty of obtaining the information they require to undertake some activities. Thus, access to information about programs and policies would serve a great purpose in supporting women and facilitate exports from women-led SMEs.

This was also similar in the case of **Ghana**. According to the participants from Accra, information problems are a key hindrance to trade, and they opined that most women-owned business do not have access to vital information that will help them export their products. It is suggested that agencies such as Ghana Enterprises Agency (GEA) and Ghana Export Promotion Authority (GEPA) who are into training of SMEs can be contacted to access information on exports. The participants further noted that information problems can also be solved by accessing the Business Resource Centers (BRCs) at the district levels especially with regards to registration of businesses. They acknowledged that although there are also Business Advisory Centers (BACs) and the Rural Enterprise Program that can be contacted by SMEs for advisory purposes, these agencies should be publicized for people to know their mandate and go to them for the needed support.

Madagascar on the other hand, appears to be making great progress in facilitating access to information for women. For instance, one of the government officials noted that within the Ministry of Trade, there is a National Competition Committee and a National Trade Facilitation Committee that aim to promote fair trade, facilitate access to information and avoid additional costs. She added that, currently, Madagascar is planning to set up a trade information portal, allowing all traders to have good visibility of trade procedures and operations. Another participant who is a business owner, speaking on the subject mentioned an association that was created to help women in general, and within which women are being

supported to access information. Nonetheless, some participants felt that the government still needs to do more in helping women access key information required for exporting. Speaking on this, one of the participants was quite critical:

No, there is no such support. As strategies, it is important to inform women about exports, including training them on how to start a business, and assisting them with the procedures. Also, inform them about the potential of the export sector. It is also essential to guarantee their safety when collecting products in enclave areas. (FGD participant from Madagascar)

For the **Senegal** case, access to information was only subtly mentioned. It is as though this was not an issue in Senegal and the only recommendation was mentioned by one of the participants who felt that there is a need for the creation of information platforms on all levels (standards, access to financing, etc.). In summary, all the countries appear to be lagging in terms of helping women access the kind of information they need for trading. However, Madagascar seems to have taken reasonable steps towards addressing the information gap.

- *Access to finance*

Participants from **Nigeria** mentioned that there is a need for government to provide financial support, equipment and training for women-led SMEs, as well as reduce interest rates to make it cheaper and attractive for women to borrow money to invest in their businesses. For **Senegal**, the participants opined that although there are many organizations such as General Delegation for Rapid Entrepreneurship for Women and Young People (DER), National Agency for the Promotion of Youth Employment (ANPEJ), The Agency for the Development and Supervision of Small and Medium-Sized Enterprises (ADEPME), that support women with billions of FCFA, the impact is very low for women. To this end, the participants made recommendations aimed at integrating incentive measures into the project/policy indicators to promote the professional integration and development of women's SMEs. For example, accompany and support more SMEs owned by women than those owned by men (i.e., to require that 2/3 of the SMEs supported be owned by women).

They also maintain that government must facilitate access to finance by reducing interest rates and creating bank guarantee funds.

In the case of **Ghana**, the participants noted that the cost of formalization of businesses including, a long process, cost of business registration, and certification as well as product certification pose a hindrance to trade. They thus suggested that the registration process should be decentralized to regions and district levels and the cost should be reduced or subsidized for women-owned businesses. They further added that since formalization is required for SMEs to source funding, women-owned businesses should be helped to formalize their businesses and products so as to be able to access funds from agencies such as the Microfinance and Small Loans Centre (MASLOC), the Ghana Export and Import Bank (GH-EXIMBANK) and the National Entrepreneurship and Innovation Program (NEIP) in order to export. Amongst many of the participants was a government official who noted the need for the government to partner with associations focused on SMEs to make funding available and accessible. She added that overlapping membership of SMEs in multiple associations just to access funds should be checked and the policy should also focus on manufacturing and production. Her final comments were for SMEs to be given the needed attention and funding, especially those into garments and textiles production, cosmetics production and food processing to improve exports. For the **Madagascar** case, the government officials who were part of the FGDs focused mainly on citing examples of support schemes available for women to access finance. While there was a consensus by the participants that access to finance is an important issue, arguments went in the direction that there are existing government support schemes for this. A surprising fact in the case of Madagascar is that only a few participants identified finance as a major constraint during the discussions. However, one speaker who believed that government should do more recommended that government establish a budget line for women entrepreneurs, and that the latter regroup and cooperate for wealth creation.

On several occasions, Madagascar being an exception, participants from the other countries have cited access to finance as their major constraint. When discussing the economic barriers to women participation in trade under the PESTLE framework, it was reported that the relatively high cost of starting a business in Africa and of trading is more than twice that in the OECD and East Asian countries. It was found that most African women lack sufficient credit facilities. In most parts of

Africa, especially in Senegal and Nigeria, women are not allowed to own lands or inherit valuable property which puts them at greater disadvantage in obtaining loans from banks due to collateral requirements. In line with these, the participants recommended that the government should set up lower loan rates and guarantee funds by putting banks in competition. Further suggestions are to train women in financial management, education and leadership, and to change the approach to minimize the intermediaries. In summary, all the countries except Madagascar appear to have similar situations when it comes to access to finance. The three countries (Ghana, Nigeria and Senegal) seem to be lagging in supporting women to access finance.

- *Reduction of corruption through increased supervision of intervention programs*

While most participants acknowledge that there are intervention programs, they lament that these programs are often politicized. This is to say that there exists corruption in these systems which prevent women from participating in export markets. For example, in **Senegal**, participants emphasized the need to depoliticize state programs. According to them, the state programs are intended for the supporter of the ruling party and for the most part, few women benefit from them.

Participants also noted that it is essential to strengthen the consular chambers in the regions and establish trade centres. According to the participants, there is not much decentralization of support for SMEs. They proposed that support programs for SMEs be housed in chambers of commerce, consular services and trade sections with well-defined performance obligations and specifications. This would allow for proximity to SMEs. Politicization was also mentioned in Nigeria's case, which rendered programs unfair and inequitable for women. In summary, it was evident from the responses received that Nigeria and Senegal have similar problems in terms of corrupt practices that affect women-led organizations. Madagascar and Ghana on the other hand seem not face these problems to the same extent.

- *Provision of production/manufacturing infrastructure*

Some industries require huge capital investments. As seen from country backgrounds in the earlier sections of this report, women are not able to raise the needed capital to purchase some of the equipment they need, especially in some industries such as clothing manufacturing which require huge investments in machinery. Findings in this study indicate that women are less likely to generate the financial resources than men due to their lower participation in economic activities. This necessitates a need for the government to provide these facilities and equipment at concessional terms. Speaking on this, some of the FGD participants from **Nigeria** mentioned that the government needs to assist in providing equipment to increase the production capacity of women-owned businesses. Other participants added that the Nigerian government should provide support, especially in the areas of infrastructure and equipment for production noting that some production equipment are expensive to buy. The discussion also mentioned that government agencies such as National Agency for Food and Drug Administration and Control (NAFDAC) and Standard Organization of Nigeria (SON) are not doing enough for women and should thus provide more support for women owned businesses. In the case of **Madagascar**, participants noted that decentralization is still a real problem. The concerns were that all training opportunities are concentrated in the capital, while the coastal regions are full of economic potential. Thus, a need for more decentralization to reach the rural areas in the coastal region grassroots is needed.

Participants from Ghana made several recommendations. Firstly, they noted the need to invest in establishing processing centers to support women SMEs who may not have the needed capital to do it on their own, especially in food processing, and in packaging. They added that the aim is to access such equipment where they can process products to ensure they meet quality standards that will not be rejected when exported. Another recommendation was for women in agribusiness to be supported with access to lands. The participants also noted the need to facilitate Peer-to-Peer linkages, where women-led startups or small businesses can learn from the big or well-established ones.

Countries such as Nigeria and Ghana seem to have a need for the government to assist in the purchasing of equipment and provision of manufacturing infrastructure. Madagascar on the other hand is focused on decentralizing the support system to reach the grassroots. It seems as though these infrastructures are already in place in Madagascar but concentrated only in the capital cities. Participants from Senegal did not

make much contribution on this theme and perhaps the provision of processing and manufacturing infrastructure was not seen as a problem. Although the government in these countries have been forthcoming in supporting women, partly due to the global movements targeted at reducing gender inequality, the major complaint from participants in Nigeria and Ghana is that efforts from the government need to be intensified. Some of the participants from Senegal did acknowledge the receipt of support from some structures such as National Agency for Agricultural and Rural Council (ANCAR) and Feed the Future Senegal (Kawolor project). But they emphasized that this is minimal in comparison to the type of support they require.

- *Transparency and relaxation of some exporting requirements*

There are several requirements attached to exporting which are not favorable to women. According to the PESTLE analysis of the barriers to women participation, it was found that women are more disadvantaged with regards to factors such as excessive trading documentation, long procedural filing and processes, difficulty in obtaining licenses and burden of taxes and tariffs which act together to hinder trading activities and increase production cost. These activities require investments in terms of time and due to household obligations, women are often overwhelmed in their pursuit of these regulations. In **Nigeria**, participants lamented the bureaucratic processes involved in exporting. This was similar for **Senegal**, as participants noted that the government should ease export rules and procedures (lower export taxes and flexibility in customs procedures) and promote the creation of a platform or framework for exchange (fairs, markets, etc.). In **Ghana**, heavy emphasis was also laid on the need for the government to reduce import duties on women led SMEs while in **Madagascar** participants decried the lack of full transparency in the systems, and the fact they are not built around helping women-led SMEs. In fact, one of the participants noted that there is already an existing cartel of exporters and if you do not belong, you cannot export. In summary, responses by participants in Ghana, Nigeria and Senegal point towards the reduction of exporting requirements, bureaucracy and export duties.

Recommendation for TSOs

Increasing women participation in trade requires collaborative efforts between the public sector and the private sector. TSOs have important roles to play in fostering policies that are needed to ensure that women-owned businesses and women-led organizations are supported. Many recommendations were put forward by the participants at the FGDs/KIIs with government officials and TSOs in Ghana, Madagascar, Nigeria and Senegal. Some of the key roles that TSOs can play were discussed at the FGDs/KIIs and the findings are presented as follows.

- *Capacity building for women*

Participants from **Nigeria** called for support from TSOs in building the soft-skills of women in trade and women-led organizations. For instance, in Nigeria some of the women noted that while such support is available at the capital cities, awareness about it is low and very much inaccessible to women in trade in the rural areas. In addition to the social skills of women in business, TSOs could build the networking skills of women to address the challenge of acquiring new customers, trade partners and market information needed to trade across borders. In **Ghana**, it was mentioned that SMEs would benefit from support for doing proper documentation/certification, which are important for exports, as well as financial support and market access/linkages. Capacity building for women on international quality standards for exported products was mentioned in the case of Madagascar, as well as programs that promote creativity to encourage diversification of exports.

Capacity building for women-owned businesses to internationalize should be a key mandate of the TSOs. For example, women need to be trained on export strategies, standards, packaging, branding, and certification. Women engaged in trade also need capacity building in access and use of digital technology. Effective use of digital technologies by women in trade could facilitate access to new markets, promote remote work, build better interaction with customers, improve financial autonomy and increase access to finance.

- *Creating more advocacy and more support packages for women-owned businesses*

One key message for the TSOs from the FGD/KII participants is the need to amplify the voice of women in trade policies and negotiations. Many of the women see the TSOs as a conduit pipe to convey their concerns to government authorities and other stakeholders in pursuits of gender-sensitive trade reforms. Some of the participants expressed their concerns that the TSOs are currently not doing enough in representing the interest of women in business. The participants across Ghana, Madagascar, Nigeria and Senegal identified the need for better advocacy by the TSOs. For example, many women are not aware of the AfCFTA and are not prepared to take advantage of its potential benefits, nor mitigate the challenges that may be associated with it.

- *Strengthening association with women-owned businesses*

Another way for TSOs to truly support women in trade is by associating closely with the women, particularly in the rural areas. Some FGD participants said that they do not know most of the TSOs operating within their environment and sector, while some said that the TSOs operate far from their location. The FGD/TSO participants also revealed that there are established local institutions across the trade sectors which TSOs could partner with to promote skills development for women in trade and women-led organizations.

4.7 CONCLUSION

The qualitative case studies in this chapter sought to complement the survey data (see Chapter 2) and further bridge the gap in knowledge on the nexus between trade and women economic empowerment by uncovering evidence on the dynamics of women in trade in Africa. The case studies adopted a multi-stakeholder approach involving owners and managers of SMEs, private and public sector actors and trade facilitation offices, such as business associations and chambers of commerce, and export promotion agencies especially those representing business-women and exporters. The stakeholders were identified across the study areas—Ghana, Madagascar, Nigeria and Senegal.

Generally, we find that there are many factors that influence the creation of jobs for women across the trade sectors and some sectors are better positioned to provide employment for women. The cross-cutting

factors include the nature of work in specific trade sectors, job demands in terms of physical strength and timing, and working conditions of employees in the sectors. Some of the factors are more pronounced in some countries. For instance, in Ghana, participants attributed the high employment of women in the service sector to fear of unhealthy competition and strenuous demand in the manufacturing sector. In Nigeria, it was revealed that jobs or sectors where there are regular requirements for overtime are not favorable for women that have family responsibilities as caregivers. In Senegal and Madagascar, more jobs are created for women in specific sectors such as the food processing and textile industries respectively.

The data gathered from the FGDs and KIIs shows that most jobs created within the trade sector for women are low skilled and do not contribute significantly to reducing inequality in women's access to skills and education. Majority of the FGD/KII participants opined that the work environment, hours of work, health and safety standards, and overtime pay are not significantly different in firms that export in comparison to firms that do not export. The only exception was seen in the case of Ghana where work conditions in firms that export are quite different from firms that do not export. This marked difference was attributed to government regulations on certifications and work conditions in the export sectors. Furthermore, the findings shows that there are no marked income differentials between male workers and female workers. The qualitative research findings complement the survey finding that there are also no significant differences in salary by gender across all countries.

The settings of the FGDs which consist of women only FGDs and mixed (women and men) FGDs proved helpful in eliciting sincere responses from the participants. For instance, we observed that the women-only FGDs had a better atmosphere of confidence among the participants, an interaction filled with honesty, confidence, fluency, and full freedom to express their opinions. The findings from the FGDs provided novel insights on how women participation in trade is associated with their economic empowerment and it is noteworthy that services play an increasingly important role in job creation for women in the four countries. Joint effort by government and the private sector in improving women's productivity in the service sector is required to close the gender gap and empower women, especially for the most vulnerable women in the rural areas.

While we also find that across the study areas trade has the potential to empower women, boost their income and improve their wellbeing, however, a number of challenges continue to impede women from maximizing gains from trade. Among the numerous challenges identified, it is clear that women are disproportionately employed in low-skilled jobs and have limited access to, and control over, productive resources. Without a strong public–private partnership between government agencies, women in trade, trade facilitation bodies and other key stakeholders, the benefits of trade in empowering women will remain a mirage.

NOTES

1. It is important to mention that PESTLE is not a theory, but a framework used in diagnosing the external environment of a business entity. Thus, its adoption does not have any theoretical implications for the subject of this chapter.
2. Unless otherwise indicated, the data presented in this section is from the World Development Indicators Database, and the Poverty and Inequality Platform, both from the World Bank.
3. More information about the specific trade agreements can be accessed at: <http://ptadb.wto.org/Country.aspx?code=686>.

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Conclusion

Abstract In this concluding chapter, we bring together the findings of our research, drawn from the survey of SMEs and the qualitative analysis (focus group discussions, key informant interviews and in-depth interviews) that were conducted for the current project across the six selected countries: Cambodia, Ghana, Madagascar, Nigeria, Senegal and Vietnam. We started this book by arguing that international trade has the potential to provide women with more and better employment opportunities, drive productivity and economic growth, and thus empower women and improve gender equality. As we summarize our findings in this concluding chapter, we discuss how and whether this potential is being met, and why it may not always be attained. Finally, we offer our policy recommendations for how women entrepreneurs and workers can better take advantage of the opportunities that are made possible by international trade.

Keyword Policy recommendations · Trade · Women's economic empowerment

In December 2017, the Buenos Aires Declaration on Trade and Women's Economic Empowerment was adopted at the 11th WTO Ministerial Conference to increase women's participation, and remove the barriers that they face, in international trade. This declaration recognized the

importance of “*incorporating a gender perspective into the promotion of inclusive economic growth...the key role that gender-responsive policies can play...that inclusive trade policies can contribute to advancing gender equality and women’s economic empowerment...that improving women’s access to opportunities and removing barriers to their participation in national and international economies contributes to sustainable economic development.*”¹ By September 2020, 127 WTO members and observers around the world had joined the declaration (International Trade Centre, 2020). In the past few years, various reports and initiatives (Korinek et al., 2021; World Bank & World Trade Organization, 2015, 2018) have recognized the important connections between trade, gender and women’s economic empowerment.

In 2020, Canada, Chile and New Zealand signed the Global Trade and Gender Arrangement to “*promote mutually supportive trade and gender policies in order to improve women’s participation in trade and investment and in the furtherance of women’s economic empowerment and sustainable development*”.² Mexico (in 2021), Colombia and Peru (in 2022) have subsequently also joined the arrangement as participants. At this time, a draft WTO Ministerial Declaration on trade, gender equality and women’s economic empowerment, which was scheduled for adoption at the 12th WTO Ministerial Conference in June 2022 has been put on indefinite hold.³ However, the issue of ‘trade, gender equality and women’s economic empowerment’ will likely remain at the forefront of current and future public policy discussions.

This should not be surprising since the economic and societal benefits of increasing women’s participation in trade are well documented. We started this book by arguing that international trade has the potential to provide women with more and better employment opportunities, drive productivity and economic growth, and thus empower women and improve gender equality. And yet, despite the long-run increase in global trade flows, and much progress on women’s economic empowerment, gender equality remains a distant goal according to most progress reports around SDG 5 on gender equality. While the rise of GVCs provides more opportunities for firms around the world to participate in international trade, SMEs, including those that are women-owned and women-led, are underrepresented in international trade when compared to larger firms.

It is against this background that we wanted to examine the relationship between trade and job creation for women, and the extent to which these jobs contribute to women’s economic empowerment. Specifically,

we focused on the following three questions: (1). Why—and under what circumstances – do some trade sectors create more jobs for women and others do not? (2). To what extent are the jobs created contributing to women’s economic empowerment? (3). What strategies and policies are needed to ensure these sectors work optimally? Our ultimate goal, as formulated in the third question, was to propose policies that should be put in place to ensure that women benefit from trade.

As discussed in previous chapters, this project focused on SMEs as the unit of analysis, given the significant contributions that they make to domestic output and employment. We made sure that there was enough representation across different sectors (agriculture, manufacturing and services) and that there were enough women-owned and women-led SMEs that could be examined for this research project. This allowed us to understand the challenges that women-owned and women-led SMEs face relative to those that are not. The research adopted a two-stage research design. First, original survey data for 610 SMEs across six countries—two (Cambodia and Vietnam) from Southeast Asia and four (Ghana, Madagascar, Nigeria and Senegal) from sub-Saharan Africa—was collected and analysed (Chapter 2). Second, the survey data was complemented by qualitative analysis in Chapters 3 and 4 to answer the three research questions mentioned above. The qualitative analysis consisted of focus group discussions, key informant interviews and in-depth interviews with different stakeholders that included workers (male and female), employers and managers, government officials, and trade support organisations. As this project happened during the Covid-19 pandemic, we wanted to know how it had impacted the operations of SMEs in our study areas.

5.1 KEY FINDINGS

While there is a lot of evidence that women entrepreneurs across the developing world face various barriers every day, we found that these barriers varied across the six countries that we examined. For example, the survey data that we collected revealed that the perceived favourability towards women-owned enterprises varies across countries, regions and sectors. This is important since women tend to often be concentrated in certain types of activities more than others, for instance textiles and apparel, and including in the informal sector. Context thus matters, and not all SMEs—across countries and sectors—face the same set of challenges. It is likely that such differences would be amplified if we extended

our analysis to more countries and regions in the future. We also found that the distribution of employees by gender varied across countries; most respondents mentioned that women were hired because of their unique skills and rarely did we find evidence that there were deliberate policies in place to bridge gender gaps. This means that it is more difficult for women to aspire to certain occupations in the SMEs where they currently work, or employment in other sectors, that have been traditionally seen as more appropriate for men. The qualitative analysis that we conducted confirmed this finding in several cases.

Despite the absence of specific policies across the study areas to close the gender divide, we also found that women-owned exporting SMEs tended to hire more women than men. While we cannot completely ignore that this may be tied to the nature of work, it is nonetheless an encouraging observation since our analysis also showed that output per worker and salaries (for both men and women) are higher in exporting SMEs than in non-exporting SMEs. This means that trade creates opportunities for women to be hired in well-paid occupations. Beyond salaries, we wanted to know if employees were rewarded with other benefits. Our survey results showed that there are differences in salaries by gender on a country-by-country basis but no difference in other benefits. An overwhelming number of SMEs that provide benefits (pensions, health insurance, paid sick leaves maternity leaves etc.) to their employees provide the same level of benefits to both men and women.

One in five SMEs surveyed for this project mentioned that women-led SMEs encounter more difficulties in trade, but the number varied significantly across countries. On a regional basis, women-led SMEs across the four African countries encounter more difficulties in trade than the two Asian countries. When respondents mentioned that women-led SMEs might encounter more difficulties to trade, they cited cultural and social (often family-related) perceptions of women, the challenge of reconciling work and family obligations, difficulties to obtain finance and collateral, the relative strength and competitiveness of male-owned SMEs, technological challenges, and difficulties in finding trade-related information. Interestingly, even if gender-related constraints such as lack of access to finance for women entrepreneurs was deemed important, it was generally not seen as more important than other constraints such as government regulations and infrastructure. This was somewhat surprising since the various challenges that women entrepreneurs face across the developing

world, including their ability to engage in international trade, has been well documented in the existing literature.

The survey data that we collected showed that at least initially most SMEs operate domestically, and while some end up exporting their products, others do not. The decision to export is based on several factors including the nature of the business (such as the cost of inputs, the volume of production and price obtained for goods/services), the size of the local market, access to finance, knowledge of external markets and level of support from government. We also obtained overwhelming evidence that the Covid-19 pandemic had significantly affected SMEs, whether they were women-owned/led, or not. In hindsight, we could, and should, have asked whether the latter made the impact of the pandemic more difficult to manage for women. It was clear from our survey that this exceptional event had been felt by everyone and almost 65% of respondents mentioned that the effects of the pandemic had persisted over time. And since both the survey results and qualitative analysis revealed that women-owned or women-led SMEs tend to be concentrated in some sectors (such as retail) which would have been much more affected by lockdowns, and the fact that women have to manage both work and family obligations, it would not be surprising that the pandemic affected them more. This has been confirmed in other studies. For example, a study by the International Finance Corporation (2021) of 13 African countries, which included the 4 African countries considered in the current study, found that women-owned/led MSMEs were more affected by the pandemic because of their size and concentration in specific sectors.

Our qualitative analysis of the four African country cases showed that job creation in SMEs was driven by the nature of work, the fact that these SMEs were engaged in exporting, and the working conditions or work environments that were offered to employees. This resulted in some sectors such as textiles and food processing being dominated by women, while others are not because the requirements (such as the need to work overtime) are more difficult to reconcile with other family obligations. Almost all the participants acknowledged the important role of exports in creating jobs, but they also pointed out that the work environment is more important, regardless of whether an SME is engaged in exports or not. They also indicated that too many jobs created in the export sectors for women are low-skilled and do not contribute significantly to reducing inequality in women's access to skills and education.

The cases of Cambodia and Vietnam also showed that a large proportion of women were employed in certain sectors such as textiles and apparel, and in specific tasks along the value chain. This outcome is heavily influenced by gender bias and preferences of employers, as well as the fact that women have less access to education and skills training. For various reasons related to physical safety, security concerns and lack of market information, women are often faced with limited job options and thus do not have a lot of bargaining power vis a vis their employers. So while trade has no doubt contributed to women's labor force participation in both Southeast Asian countries, important gaps exist when it comes to diversifying jobs, skills, businesses and markets for women employees and employers. Female workers are concentrated in low-paying (even if higher than in the non-tradeable sector), low-skilled jobs, and stuck in low value-added manufacturing sectors. Women entrepreneurs are over-represented in micro and small enterprises, and in a few specific industries where market saturation limits their ability for growing their businesses and competing in international markets.

In all the six countries examined in the current project, women became empowered through different channels such as access and control over resources, decent work, control over their own time and income, as well as having a voice and being able to meaningfully participate in decision-making. But this does not happen at the same pace/level in different contexts.

5.2 POLICY RECOMMENDATIONS

In terms of future research, there is a need to collect gender-disaggregated data systematically for more countries/regions and sectors, and for both exporting and non-exporting firms to see what impact they have on women's economic empowerment and gender equality. The survey that was conducted for the current project is the beginning of what we consider as an important step to collect data for more countries and thus allow for more cross-country and regional comparisons. The kind of gender-related data and indicators that are currently available from existing surveys such as the World Bank Enterprise Surveys are too crude to examine women's economic empowerment and could be enriched by more specific questions related to the latter.

Given what we found from the survey and qualitative analysis, there are several recommendations that could be implemented to assist women

entrepreneurs and workers so that they can take advantage of the opportunities that are made possible by international trade. An important lesson that we learnt from conducting the survey is that trade-related constraints are context-specific and thus require tailor-made solutions. We also did not find enough evidence of deliberate policies to address gender gaps. Opportunities that became available to women happened naturally more than anything else. For example, more women are hired as a result of job requirements, or through SMEs that decided to export their products, as opposed to targeted policies that focused on women employment. This explains why some sectors remain largely inaccessible to women in the countries that we studied.

The six case studies also revealed that broader intentional policies from both governments and TSOs are needed. Governments should provide the enabling environment for women entrepreneurs and workers to benefit from trade, and this includes access to information, access to finance and financial products specifically aimed at women, the depoliticizing of intervention programs, and less complicated exporting requirements. In the case of TSOs, more capacity building for women entrepreneurs, more advocacy and support packages for women-owned/led SMEs, and a better association with women businesses, especially in rural areas, would go a long way towards empowering women further.

For example, the Cambodian and Vietnamese cases clearly showed that TSOs should provide tailor-made business services that are designed explicitly for women exporters such as a digital market intelligence portal, one-stop shops for government services and the creation and nurturing of female exporter networks. TSOs and relevant ministries should be encouraged, through policy research and advocacy forums, to integrate gender components into trade-related policies and strategies. The African cases also showed a need for stronger public-private partnerships between government agencies, women-owned/led SMEs and trade facilitation bodies. They could also benefit from targeted solutions such as the enforcement of existing laws and rights for women to the creation of an enabling business environment and the easing of export requirements, to the inclusion of women in the trade facilitation policymaking process, and deliberate policies that incentivize exporting SMEs to employ more women. Finally, it should also be noted that the needs of female businesses and employees are not always taken into account when negotiating and implementing trade agreements.

Policy recommendations need to be backed by sufficient resources that are not always available locally, and the contributions of bilateral, multi-lateral and regional donors through aid for trade could play an important role in that regard. Since the launch of the Aid for Trade initiative in 2005, gender perspectives have been increasingly included in aid for trade as recommended by the 2006 WTO Aid for Trade Task Force. However, there is significant room to grow the share of aid for trade towards gender equality and invest in projects whose primary objective is to promote gender equality (OECD/WTO, 2022).

NOTES

1. https://www.wto.org/english/thewto_e/minist_e/mc11_e/genderdeclarationmc11_e.pdf.
2. https://www.international.gc.ca/trade-commerce/inclusive_trade-commerce_inclusif/itag-gaci/arrangement.aspx?lang=eng (Accessed on May 9, 2023).
3. <https://sdg.iisd.org/commentary/policy-briefs/wto-ministerial-declaration-on-trade-and-gender-on-indefinite-hold/> (Accessed on May 18, 2023).

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