

CHAPTER SEVEN

TRADE, INDUSTRY, FINANCE AND INVESTMENT



Introduction

The TRADE, INDUSTRY, FINANCE AND INVESTMENT (TIFI) is the second biggest directorate. Its primary function is to facilitate and coordinate trade and financial liberalisation, competitive and diversified industrial development and increased investment for deeper regional integration and poverty eradication in the SADC region. As of June 2008 the Directorate comprised 30 men and 17 women. The position of Director was still to be filled.

This Directorate is spearheading one of the most important 'levers' for regional integration, the launch of the Free Trade Area (FTA) in 2008. TIFI's six key objectives are:

- Pursuing market integration through the establishment of the Free Trade Area (FTA) planned for 2008, the SADC Customs Union and the SADC Common Market;
- Attainment of macroeconomic convergence;
- Development and strengthening of financial and capital markets;
- Attainment of deeper monetary cooperation;
- Increasing levels of investment in SADC including the Foreign Direct Investment (FDI); and
- Enhancing SADC competitiveness in industrial and mining and other productive activities for effective participation in the global economy.

The SIF has set a target of 2015 for women's equal access to trade opportunities, including specific targeted action such as gender quotas in trade missions and negotiations, and provision of targeted support to women entrepreneurs by 2010. Some regional actions, such as the SADC Women's Trade Fair planned for 2008, should create some good synergies between the GU and the TIFI, and provide the space for further, targeted action aimed at women's empowerment. The gender training undertaken in 2003 forms a good basis for building on and expanding, and has generated high quality tools for use by TIFI staff in their gender mainstreaming work.



Case Study 3: Gender issues in planning for Soccer 2010

Consider the following case study and answer the questions that follow:

Champions of industry, senior officials from trade, investment and tourism ministries, and senior SADC officials are having a brainstorming meeting on how countries and communities in the region can benefit from the upcoming Soccer 2010. There are 50 people in the room; 40 men and ten women. Two of the women are from the informal sector, and one is from civil society. The chair of the meeting is a male CEO. Proposals made in the meeting, and some of the responses to them, include:

- Visa requirements between SADC countries should be waived for the duration of the event. This will allow free movement of people coming to the region and within the region at the time of the soccer spectacle. Some countries are, however, opposed to this as they say that those who come into their countries under these terms may take jobs and not leave. They are especially concerned about informal traders, the majority of whom are women. The women from the informal sector say that rather than trying to fight these women traders, funds should be set up to help them elevate their business.
- A regional tourism initiative that would assist visitors to the region to get to know "the real Africa." This would include an ethno-cultural tourism initiative to facilitate access to the rural areas, where tourists can be hosted in local bed and breakfasts. The initiative would include support to communities to establish and manage websites about what they have on offer.

- Several suggestions are made about how to market this initiative and what images to use. A man in the room suggests that the best way to project the “real” Africa is an image of a woman in traditional dress, with her breasts showing. Another suggests a sexy young modern woman. One of the women in the room suggests an image of a professional woman and a man welcoming visitors to the region.
- The building of several new stadiums around the region. A woman participant proposes that there should be a quota for women-owned enterprises in the tendering process to empower women as part of this process. A male CEO strongly opposes this, saying that this would be unfair.
- Removal of tariff and non tariff barriers on food stuffs. This, however, is strongly resisted by one country, which says that the result of this will be cheap produce flowing in from neighbouring countries and undercutting local farmers, especially those growing fruit and vegetables, the majority of whom are women. Another official says that the solution to this is to support the women growers so that they can be more cost effective producers and be able to export their produce, rather than just producing for the domestic market. A male official proposes a fund to support women entrepreneurs set up food stalls at the stadiums.
- A male CEO proposes setting up a fund that business will contribute to for promoting soccer in local communities through buying balls, building local stadiums and training. He also proposes training of young women cheerleaders for the matches.
- One of the men reports that in his country moves are afloat to legalise sex work for the duration of Soccer 2010. This leads to a heated debate. A woman in the room says this is morally wrong. Another says that if sex work is to be legalised, it should be a matter of human and workers rights, not just for Soccer 2010. A man maintains that an important reason for legalising sex work is to be able to control the spread of HIV. One woman demands to know in what other ways women are likely to benefit from Soccer 2010, other than the legalisation of sex work. A man says this question is not fair: Soccer 2010 is for all citizens of SADC, women and men. He suggests the establishment of a listed private equity fund to enable SADC citizens to invest in the various ventures linked to Soccer 2010.
- The main host country announces that it will be privatising substantial components of the transport industry to ensure efficient services during soccer 2010.
- One of the women in the group, who comes from an NGO background, says that it is common during world cups for FIFA to take up a social campaign. Noting that at the last World Cup FIFA took up a campaign against racism she proposes a campaign this time against gender violence, which she describes as the most wide spread human rights violation in SADC. A male participant argues that xenophobia is a more pressing problem, and that this should be made the focus of the campaign.

At the end of the meeting the group summarises proposals to be put forward to relevant SADC ministers.

Questions

1. Which of the above proposals would you describe as gender blind and which would you describe as gender aware? Is it important that gender proposals be made gender aware? Why? Please use the framework below to give your answers.

PROPOSAL	GENDER AWARE	GENDER BLIND	SHOULD PROPOSAL BE MADE GENDER AWARE? WHY?

2. Which of the proposals address practical gender needs and which address strategic gender needs? Which of these is likely to be adopted and which is not? Use the framework below to answer your questions. Is there any correlation between the initiative being practical or strategic and the likelihood of it being adopted?

PROPOSAL	PRACTICAL	STRATEGIC	LIKELY TO BE ADOPTED	NOT LIKELY TO BE ADOPTED

3. Assess the power dynamics of the meeting. Are these likely to make a difference with regard to the decisions taken? Why or why not?

4. If gender is not mainstreamed in the recommendations put forward, who would benefit most - women or men? Please explain.

5. From this exercise, what do you understand by gender mainstreaming and why is it important?

6. From this exercise, what are some of the key gender issues in trade, industry, finance and investment?

7. What are some of the challenges confronted when trying to overcome gender imbalances in this sector and how can they be overcome?



Fact sheet 8: Key gender issues in the FTA

Negotiations to conclude a SADC Free Trade Agreement (FTA) are currently at an advanced stage. The removal of trade barriers among SADC Member States will impact differentially on men and women. For example:

- Women are dominant in agriculture, clothing, textiles, footwear and the crafts and cultural industries. Hence particular attention should be paid to these sectors to ensure that any negative consequences (such as job losses) are mitigated and productive activity in these areas is expanded through the provision of capital and training.
- The jewellery industry is one in which women are under-represented and also under-developed within the SADC region. Given the resource endowments of the region and the skills of women in the crafts industry, women should be empowered to develop this industry. Most countries in SADC region have regulations which restrict this industry.
- Where the dismantling of trade barriers results in an increase in regional exports and hence an expansion of productive capacity in female-dominated industries, women in those industries will benefit from such liberalisation. Such opportunities need to be documented and the information be put into effective use.
- In cases where the removal of trade barriers results in a net loss of employment in female-dominated industries, women will be negatively affected.
- If the consequence of the removal of trade barriers is lower prices for consumers, women as consumers of particular goods will benefit from lower prices. The savings could be qualified as a positive impact.
- The removal of import duties, which are an important source of revenue for many Member States, will serve to diminish government revenues unless replaced by other sources of taxation. The reduction of such revenues may impact negatively on women if it results in the reduction of government expenditure on social services such as health, education and social welfare programmes.
- The single most important non-tariff barrier faced by informal traders in the region (who are predominantly women) is mobility across border posts. If opportunities to enhance the incomes of these women are determined by their ability to cross borders, measures should be taken to remove the obstacles to doing so.
- With regard to sanitary and phytosanitary standards, given that women are dominant in the agricultural sector, it is critical that they receive technical assistance to enable them to meet these standards, as they pose the most important barrier to trade in agricultural goods .
- The SADC Trade Protocol promotes cross border investment. In addition, supply-side measures such as Spatial Development Initiatives are currently being implemented in the region. Women often fail to benefit from such initiatives because they are unable to access capital. In many SADC countries, legislation is such that women have the status of minors and require the permission of their husbands or other male relatives to procure loans and enter into other financial transactions. Moreover, despite overwhelming evidence that women have a lower default rate on the repayment of loans than men, commercial banks refuse to extend loans to them even when they have a signed contract after winning a government tender. It is therefore critical that both a venture capital fund and lines of credit are established to channel finance

to women who fail to procure it from commercial banks.

- A major impediment to trade promotion, especially for women, is access to information technology which provides such information. There is need for IT training for women to enable them to make benefit from such facilities.

Source: “Trade Liberalisation in SADC: Opportunities and Challenges for Women”, workshop held in Johannesburg, April 1999.





Exercise 20: Finding gender in TIFI plans and programmes

Go through the TIFI project concept notes and business plans in light of the key gender issues identified earlier and answer the questions that follow:

1. Is there any reference to gender anywhere?

2. If yes, where, and is this adequate?

3. Would you describe TIFI plans as gender blind, gender neutral or gender aware?

4. What can be done to make these plans gender aware?



Notes:

A review of TIFI's annual business plan 2007/8 reveals that it is silent on the issues highlighted above. Areas such as removal of tariff and non-tariff barriers on intra regional trade, are key to assessing the potential impact on the participation of women and men in trade opportunities, and determining whether policies recognise the gender dimensions of trade so that women in particular have access whilst simultaneously ensuring that legal frameworks do not limit their ability to do so (e.g. eliminating women's legal minority status, and any legal provisions requiring male sanction to execute).

Gender mainstreaming in TIFI

Clearly there is a need to revisit gender mainstreaming in this important sector. Before identifying how we would do so within each project, we need to establish what the legal and policy instruments that Member States subscribe to oblige us to do.

Exercise 21: Finding TIFI in legal and policy instruments

Go through the legal and policy instruments below. What relevant provisions are there with regard to gender mainstreaming in TIFI?

Instrument	Relevant provisions for gender mainstreaming
Millennium Declaration and Millennium Development Goals – Goal 1 and 3 (2000)	
Convention on the Elimination of All Forms of Discrimination Against Women (1979)	
Protocol to the African Charter on Human and Peoples’ Rights on the Rights of Women in Africa (adopted 2003)	
The SADC Trade Protocol	
SADC Regional Gender Policy SADC Declaration on Gender and Development (1997)	
Draft SADC Protocol on Gender and Development	



Notes

As it is currently formulated, the SADC Trade Protocol makes no specific reference to distinctions between men and women, the power relations, the sexual division of labor in terms of the roles and responsibilities, and most of all practical and strategic needs of both men and women involved in development as a whole. But the SADC Treaty, which encapsulates the overarching objectives of the Community and hence underpins the Trade Protocol calls for “mutually beneficial, balanced and equitable” economic development of the SADC region.

The SADC Gender Policy has highlighted 19 areas of intervention in order to achieve gender equality and women's empowerment in trade and the economy, including a review of policies, laws and regulations and rules relating to customs, immigration, credit, and financing, amongst others to ensure they are gender sensitive.

Other interventions are the enhancement and promotion of participation of women in small, medium and large enterprise development and cross border trade, which becomes significantly important with the increased free movement of persons and anticipated increased cross border trade resulting from the FTA.

The draft Protocol on Gender and Development provides that:

- State Parties shall, by 2015, adopt policies and enact laws which ensure equal access, benefit and opportunities for women and men in trade and entrepreneurship, taking into account the contribution of women in the formal and informal sectors.
- State Parties shall, by 2010 review their national trade and entrepreneurship policies, to make them gender responsive.
- State Parties shall, by 2015, and with regard to the affirmative action provisions in Article 5, introduce measures to ensure that women benefit equally from economic opportunities, including those created through public procurement processes.

Action planning



Exercise 22: Think through the work of TIFI. Identify key gender issues and at least one action in each case that could be taken to promote gender equality through the work of TIFI.

AREA OF WORK	GENDER ISSUE	ACTION
Goods and services market integration.		
Financial and capital market development.		
Attainment of monetary co-operation.		
Attainment of macro economic convergence.		
Increasing levels of intra SADC Investment and FDI.		
Enhancing productive competitiveness.		
Participation and compliance in international agreements.		



Checklist

Economic decision-making

- ✓ Have gender analysis, gender mainstreaming and the equal participation of women and men in national economic processes, economic policy formulation and gender budgeting initiatives been taken into account?

Time use studies

- ✓ Has SADC developed a regional strategy for conducting time use studies and develop indicators to account for the work performed by women as unpaid work in national accounts; and

Employment

- ✓ What is the balance of male and female employment in sectors which provide a high proportion of exports and/or are likely to expand under trade liberalisation?
- ✓ What is the balance of male and female employment in sectors that are likely to suffer most from import competition (e.g. food production, clothing)?

Trade liberalisation

- ✓ How is trade liberalisation affecting the gender division of labour between and within sectors?
- ✓ How will trade liberalisation affect relative conditions as between tradables and other sectors? Are there specific labour or social rights of women that are vulnerable?
- ✓ What is happening to women's involvement in trading at local, regional and national levels? Do women and men have equal access to marketing facilities and networks?
- ✓ What are the likely impacts of trade-induced price changes (especially in agricultural products) on household expenditures, consumption and poverty levels?
- ✓ What are the implications of trade liberalisation for government tariff revenues and spending priorities?
- ✓ How do trade rules affect the scope for government or the private sector to take positive measures against gender discrimination?

Informal sector

- ✓ What measures have been taken to promote opportunities, rights protection and the voice of women in the informal economy by facilitating the establishment of informal women workers organisations and ensure representation in policy making, collective bargaining negotiations and trade policy negotiation teams;

Data

- ✓ What measures have been taken to promote the collection and utilisation of gender disaggregated data at all levels of the national economies;

Empowerment

What measures have been taken to:

- ✓ Promote the establishment of women's programmes that promote economic literacy and entrepreneurial skills in order to increase understanding and critical thinking about business, trade and economic policies;
- ✓ Enhance collaboration with and strengthen the gender capacities of financial institutions to progressively remove barriers that limit women's access to credit and identify appropriate mechanisms for enabling women entrepreneurs including the identification of innovative collateral systems, customer education programmes, creating linkages between credit provision and savings schemes, and marketing and storage programmes;

- ✓ Enhance and promote participation of women in small, medium and large enterprise development and cross border trade;
- ✓ Increase women's access to markets, including international trade fairs and specific women's trade fairs;
- ✓ Facilitate women's bargaining power to collectively engage in innovative entrepreneurial programmes, especially in industry, manufacturing, agriculture, horticulture and trade both at national and regional levels to enhance equitable participation and benefits from trade;
- ✓ Eliminate discriminatory practices towards female workers in formal and informal employment in relation to international and national labor markets and ensure equitable application of health and safety codes and regulations, rights and sexual harassment codes;

Capacity building

What measures have been taken to:

- ✓ Develop gender capacity skills of statistical, economic planning, budgeting institutions and all sectors responsible for economic development;
- ✓ Establish a regional database for gender macroeconomists who will in turn advance effective gender economic planning and budgets in the region;
- ✓ Facilitate information exchange among women in financing, technological and skills development in entrepreneurship and other business development services including workforce development and customs and immigration rules and regulations;
- ✓ Document and publish best practices of female entrepreneurs at all levels in the SADC region in order to facilitate exchange of experiences and best practices;
- ✓ Develop capacity building programmes for NGM in trade related policies.



Additional Resources

Barbara K (2002), *Gender and Debt*, Harare, AFRODAD

SADC (2006) *Gender and Development: Towards and Equitable Common Market*

Musa, R (2006) *Gender Issues in Trade in Africa (unpublished)*

Fontana, Marzia and Adrian Wood, 1999, 'A computable general equilibrium model of the effects of trade on women in developing countries,' revised draft of paper presented at the International Working Group on Engendering Macroeconomics and Trade, New York, 25-27 March, Sussex: IDS

Hale, Angela (ed.), 1998, *Trade Myths and Gender Reality: Trade Liberalisation and Women's Lives*. Global Publications Foundation, International Coalition for Development Action and Women Working Worldwide, 2nd edn

Pheko, M. (2005) *Gender and Trade Issues in Africa*, Paper prepared for NEPAD Secretariat

United Nations Conference on Trade and Development, UNCTAD, (2004) *Trade, Sustainable Development and Gender*

WIDE (2003) *Feminist Challenges in a Globalised Economy*, Brussels

Williams, M. (2002), *Women in the Market: A manual for Popular Economic Literacy*, Brussels, WIDE

Van Starveren (2002) *Gender and Trade Indicators*, Brussels, WIDE

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