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The AfCFTA promises to unlock the potential for African women to move from micro to macro businesses.

For decades, African women have been trapped in poverty cycles due to several underlying factors including unequal access to education, factors of production, and trade facilities; inequitable labour saving technologies; underpaid or unpaid labour; harmful cultural practices; and limited legal protection from gender inequality practices entrenched in society.

To break the cycle of poverty and inequalities, the African Union continues to advocate for the development and implementation of policies and legal; frameworks that will create a wider array of opportunities for women, and which will lead to their economic empowerment at the national and regional levels and ensuring that the development envisaged for Africa is inclusive sustainable.

With the launch of trading under the [African Continental Free Trade Area \(AfCFTA\)](#) in January 2021, the expectations are high as relates to the expanded business prospects for women led business which will unlock the potential for African women to grow their business from micro to macro enterprises. The Agreement establishing the AfCFTA recognises the need to build and improve the export capacity of both formal and informal service suppliers, with particular attention to micro, small and medium size enterprises in which women and youth actively participate. Furthermore, the AfCFTA Protocols on Trade in Goods, Trade in Services, Investment, Intellectual Property Rights and Competition Policy provide clear guidelines to ensure emerging enterprises and infant industries are protected thus adding impetus to the Agenda 2063 goals of gender equality, women empowerment and youth development.

Through the AfCFTA, informal and micro and small enterprises will be integrated into the continental markets breaking the barriers these businesses constantly encounter as they try to penetrate more advanced regional and overseas markets. Women who are estimated to account for 70 per cent of informal cross-border trade in Africa, will be well positioned to tap into regional export destinations and use regional markets as stepping stones for expanding into overseas markets. By reducing tariffs and with simplified trading regimes for small traders, AfCFTA makes it more affordable for informal traders to operate through formal channels, which offer more protection by

addressing the vulnerabilities women in cross-border trade often encounter such as harassment, violence, confiscation of goods and even imprisonment. Through deliberate efforts to integrate informal businesses into the larger continental trade structure, the challenges related to accurate data will also be addressed, to adequately capture and reflect women's trading activities in national accounting systems and regional statistical databases.

“The prospective shift from micro to macro business opportunities for women will not be spontaneous and the expected benefits for women should be tempered with realism and commitment to address existing challenges women often face.”

The AfCFTA is expected to enhance competitiveness, promote industrial development through diversification and regional value chain development, and foster sustainable socio-economic development and structural transformation. Small and medium-sized enterprises will benefit from easier means to supply inputs to larger regional companies, who then export to overseas markets. For instance, women can benefit from initiatives to connect female agricultural workers to export food markets. Regionally, there have been practical examples such as the preferential Southern African Customs Union trading regime where before exporting cars overseas, large automobile manufacturers in South Africa source inputs, including leather for seats from Botswana and fabrics from Lesotho, enhancing the concept of value addition and boosting local manufacturing and industrialization. Replicated at the continental level, the AfCFTA will then scale up opportunities for women to benefit from Intra-African trade.

Combined with the African Union's parallel efforts to increase skills in science and technology, the blue economy, infrastructure, manufacturing and high growth, Africa is well on its way to actualise Aspiration 6 of Agenda 2063 which calls for “An Africa, whose development is people-driven, relying on the potential of African people, especially its women and youth, and caring for children.” Further, Aspiration 6, underpins African women's economic empowerment, where women are fully empowered in all spheres and where women will have the rights to own and manage businesses; therefore, contributing significantly to innovation and entrepreneurship initiatives within the continent. In addition, the African Union [Strategy for Gender Equality and Women's Empowerment](#) (GEWE), underscores the need for women's economic empowerment as under Pillar I, maximizing economic outcomes and opportunities (outcome 1.2), where women are challenged to push for their economic freedom thereby re-affirming the Africa Agenda 2063 - “The Africa We Want.”

Trade experts and gender equality advocates have however cautioned that the prospective shift from micro to macro business opportunities for women will not be spontaneous and the expected benefits for women should be tempered with realism and commitment to address some of the existing challenges women often face. The [“Futures Report on making the AfCFTA work for women and youth”](#), identifies these

challenges to evolve around the limited property rights for women farmers' which leads to low levels of investment and limits the full potential of export-led growth. Similarly, women and youth may be limited from gains in agriculture due to barriers in accessing finance, productive resources and other assets. This, in addition to foreign direct investment (FDI) flows towards high productivity and better established exporting operations to capture scale economies, may enlarge the gender income gap. Without complementary national policies, the gender wage gap may be used to drive competitiveness in exports and keep women in low-productive activities and sectors that may also be at risk of automation.

The report therefore recommends the critical need to promote women as 'achievers' in, rather than 'sources' of, trade competitive advantage. These issues could well be addressed and articulated in the proposed Protocol on Women in Trade to ensure African women on the continent and those in the diaspora, are at the centre stage of the AfCFTA.

"The AfCFTA is also a catalyst for women following the Declaration 2020 to 2030 as the new Decade of Women's Financial and Economic Inclusion. African leaders recommitted to scale up actions for the progressive gender inclusion towards sustainable development."

As country negotiations on AfCFTA continue, it is expected that pertinent issues to ensure seamless trading will be addressed such as the e-commerce negotiations specific to operational aspects of e-commerce and utilisation of digital tools, which include: data protection, portability, security and privacy; cross-border data flows and data localisation provisions; coordinated cybercrime laws; and harmonisation of laws for the taxation of cross-border e-commerce. Whilst the AfCFTA is a continental agreement, the implementation will take place primarily at the national level. Therefore, the agreement must be translated to and contextualised in domestic realities. Those domestic realities are expected to involve the needs to women and to have women leading the negotiations, as part of the fulfilment to gender equality and inclusion.

The AfCFTA is also a catalyst for women following the Declaration of the years 2020 to 2030 as the new [Decade of Women's Financial and Economic Inclusion](#). In the Declaration, African leaders recommitted to scale up actions for the progressive gender inclusion towards sustainable development at the national, regional and continental levels. The exponential potential on the continent will not be realized in a vacuum but through purposed gender sensitive economic policies, a sound business environment and political commitment focused on gender mainstreaming in AfCFTA National Strategies. The aspect of financial inclusion will ensure women, who are commonly excluded from the formal financial sector either because of their income level and volatility, location, type of activity, or level of financial literacy, benefit from strengthened financial services and capacity building. This will be especially useful for

women living in rural areas and urban-informal settlements, to gain access to technology and to use it to increase productivity in all industrious sectors and benefit from tailor-made financial products such as the use of mobile money applications as a tool for expanding access to banking and finance that respond to the need for formal and reliable means to save, access and borrow money. Correlated, the African Union Fund for African Women (FAW) is being converted into a Trust Fund for African Women (TFAW) and it will be part of the concrete solutions that will be made available for women to realize economic justice and financial inclusion.

In doing this, the efforts will be aligned to the African Union strategy for Gender Equality and Women's Empowerment (GEWE) and the [African Charter on the Rights of Women in Africa](#), which push for the inclusion of women in Africa's development agenda and which recognise that that gender equality is a fundamental human right and an integral part of regional integration, economic growth and social development.

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