



The struggle for women traders to meet sustainability standards and how aid for trade can assist

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“Mwana, it is just too much! My small team of textile and clothing workers can’t keep up with all the standards the EU and other countries are demanding – how can a small business like ours, export and be profitable?” exclaims a frustrated Flora Banda who heads up a small cotton textile exporting business in Lusaka, Zambia, employing sixteen women workers.



What Flora is talking about is the 20,000 different types of sustainability and trade standards that currently face exporters and importers globally. For example, to export traditionally designed cloth to the EU, Flora must meet OHSAS 18000 regarding occupation health and safety requirements, European standard EN 14682-207 with respect to children’s clothing and safety, ISO 9001 technical certification and other specific standards if she wishes to meet cotton textile industry standards.

The exponential increase particularly in sustainability standards is in response to a number of factors including for example, rising consumer concerns about appropriate health, safety and

environmental issues as well as corporate driven demand for quality, efficiency and sound reputation.

In most cases, a multinational company has the capacity to dedicate the necessary resources throughout its supply chain to meet the complexity of sustainability standards.

Small and medium enterprises (SME) in developing countries however, struggle to not only be aware of the complex sustainability standards required, but also to find the time and resources to dedicate to compliance. And while some of these challenges are common to all SMEs, women led SMEs face particular challenges.

Apart from the cost, customs documentation and market intelligence on types of sustainability standards required, women led SMEs face a range of other non-tariff barriers such as:

- access to productive resources such as credit and financial services that improve their ability to afford compliance
- access to information networks and market intelligence systems that in some cultures and economies are dominated by men
- lack of access to vocational education and skills upgrading
- poor access to quality infrastructure often required to meet sustainability standards for example cold storage facilities when exporting agricultural produce
- insufficient time to respond to changing standards requirements as hampered by time constraints due to a primary responsibility for reproductive care and unpaid work, such as domestic work, childcare, and caring for the sick and elderly

So what can be done to assist women traders to not only deal with the complex of compliance standards but also overcome the challenge of gender discrimination?

While global corporations, local governments and industry organisations can all assist in addressing gender-based trade discrimination in relation to standards compliance, one particular form of development aid that can be well targeted to SMEs in this endeavour is Aid for Trade.

Aid for Trade is designed specifically to assist developing countries to overcome supply side constraints in order to capture the gains of trade. It focusses particularly on support for the private sector, trade infrastructure and the training and capacity needs of constituencies such as SMEs. A recent international study¹ examined the needs of SMEs in agriculture, fisheries, light manufacturing and services. It showed how well designed Aid for Trade could effectively assist women entrepreneurs and traders to meet sustainability standards.

One example looked at Mango So, which is a fruit and vegetable processing and export medium sized enterprise, based in Toussiana in the Hauts-Bassins region of Burkina Faso. Women account for 85 percent of its 200 workers.

The challenge for Mango So has been to meet strict environmental food safety and SPS import requirements and to obtain the Hazard Analysis and Critical Control Point (HACCP) certification. Unfortunately, they lacked the appropriate processing equipment to meet these standards in addition to the fact that there are no accredited services (public or private) in Burkina Faso for HACCP certification - it costs approximately 10,000 euros for certification.

Aid for Trade provided through the World Bank and through the WTO's Enhanced Integrated Framework (EIF), funded training for Mango So's workforce on how to meet hygiene and safety regulations, provided an upgrade of their equipment as well as funding toward the certification process for the company to comply with HACCP and SPS requirements. As a result Mango So has now increased production from 32 tons in 2014 to 120 tons in 2017 with a doubling of exports into the EU.

Another valuable Aid for Trade strategy for effecting women's empowerment to overcome gender barriers to trade and sustainability standards, is to target the development of women's organisations which act as coordination and training networks and operate much like a chamber of commerce. In South Asia, for example, the South Asia Women Development Forum (SAWDF)² has a large membership across South Asia of women entrepreneurs and traders.

They are in the process of consolidating a Women Entrepreneurs International Trade and Technology Hub (WITH) with the support of Aid for Trade funding from a range of agencies including UN and bilateral donor support. The WITH Project is being established as a one stop marketing and service centre to facilitate mutual trade opportunities for these women both regionally and internationally. The WITH Project will include training courses and technical assistance for women traders seeking to comply with sustainability standards, such as in areas of agricultural biotechnology and food processing standards for export.

Aid for Trade can also assist in building the capacity of women traders to harness technology and e-platforms for standards compliance, firstly by increasing the ease of access to information about sustainability standards requirements for different markets and then by allowing SMEs to more efficiently market and promote their products online informing customers and supply chains that their products meet compliance standards.

Overall, we would argue that some of the most effective strategies to assist women SME traders in developing countries to comply with sustainability standards is to focus on the following Aid for Trade activities:

1. Target networks of women traders or businesses, locally or regionally, that have a significant membership and a proven track record in the coordination and delivery of capacity building programs – the multiplier effect is value for money.
2. Facilitate the opportunity for women SMEs to utilise technology, e-platforms and e-commerce services that improve ease of compliance and marketing.
3. Focus not only on the provision of appropriate quality infrastructure for women SMEs but combine this with relevant training and upskilling so that women can fully operate and service the quality infrastructure.
4. A number of aid donors are already improving their ability to undertake trade related gender analysis but this needs to continue to gain momentum particularly in analysis of the financial, legal and cultural constraints facing women traders trying to meet sustainability standards. UNCTAD's gender tool kit is a valuable asset for undertaking such analysis.
5. The leveraging of trade agreements between developed and developing countries can also be used effectively for targeting sustainability barriers facing women SMEs. For example, the work program set up to assist in the implementation of the PACER Plus Agreement between Australia, New Zealand and the Pacific Islands, utilises Aid for Trade to assist SMEs in general and women SMEs in particular, to meet SPS sustainability standards.

The judicious application of Aid for Trade interventions for sustainability standards compliance can therefore be enhanced along the lines suggested above as an important source of support for more inclusive development and ultimately to better assist the Flora Banda's of the world to develop more successful and profitable businesses that both employ women and low income workers while empowering women traders.

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