

AGOA: AN ASSESSMENT OF THE OPPORTUNITIES FOR WOMEN'S ENTERPRISE DEVELOPMENT IN GHANA, CAMEROON, GAMBIA, SENEGAL AND MALAWI

c.b.Phillips@reading.ac.uk

Background: the UNDP Gender Programme commissioned the research for this paper. The fieldwork, undertaken in each of the five countries, consisted of interviews with representatives from Ministries, NGOs, Chambers of Commerce, Women's Groups, medium and small enterprises and individual women working in the informal sector. Secondary data were also used, though the vast majority of information was obtained from open-ended interviews.

ABSTRACT

The African Growth and Opportunities Act (AGOA) was promulgated in 2000 to stimulate development of the sub-Saharan countries via trade with the US and the adoption of economic reforms that will form the basis of long-term effective trade and investment regimes. It provides tariff and quota free access to the US markets for over 6000 African product categories, with a focus on textiles and apparel. The potential gains under textile and apparel are reduced post 2005 after which inputs must originate from participating countries or from the US. The time scale for AGOA is currently limited to 2008 but negotiations are in progress to ascertain if this can be extended.

Five countries – Cameroon, Gambia, Ghana, Malawi and Senegal were selected for the study. The purpose of the study was to assess the impact actual and potential of AGOA (African Growth and Opportunities Act) on enterprise development and export sustainability of women working within the SMEs (Micro Small and Medium Enterprise) sector. The study starting from a macro and institutional perspective and working down to women enterprise owners in the informal sector examined the extent to which countries AGOA orientated, and the challenges facing women enterprise owners.

The findings demonstrated that all five countries face significant challenges in harnessing women into export production under AGOA. Women entrepreneurs lack support at all levels, and gender constraints prevent them from accessing information and available opportunities – women officials spoke of lack of gender awareness at ministry levels, and of programmers that had failed to make any real progress. Vast numbers of women are excluded from mainstream economic activities and the situation will not improve without political will and effective co-coordinated efforts. Interviews revealed that coordination between NGO and donor activities was, in many instances, weak. This led to duplication and a fragmented ad hoc approach.

Individual enterprises were found to be constrained by a large number of factors, many of which are well documented in the literature, including lack of finance, high interest rates, access to technology, inputs, storage and business know-how.

Underdeveloped and fragmented supply chains, bounded rationality and information failure were found to exist in all five countries. Lack of effective systems and structures to mobilize effective production and trust between women, together with customs and practices that dictate that women operate in low value added markets, exacerbate the challenges facing attempting to engage in export activities.

The paper analyzes the constraints discussed above and the opportunities, potential and actual that exists in the five countries before going on to discuss a range of possible interventions and mechanisms aimed at addressing the constraints. The final section of the paper makes several policy recommendations.

¹The author would like to thank Mr Abdoulie Janneh, Assistant Administrator UNDP and Director for Africa, for funding this research