

POLICY BRIEF

Title: *Empowering Women to Bridge Opportunities and Break Barriers to International Trade in Lesotho*

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Executive Summary

Women in Lesotho face significant barriers to participating fully in trade, including limited access to finance, gender-based inequalities, and inadequate support structures. Despite these challenges, opportunities exist for women to expand their roles in trade, particularly through regional trade agreements such as the African Continental Free Trade Area (AfCFTA) and the Southern African Development Community (SADC) amongst others. This policy brief outlines critical challenges faced by women in trade in Lesotho and presents targeted policy recommendations to empower women, foster economic growth, and improve overall national trade performance.

Key Issues

1. **Limited Access to Financial Resources:**
 - Women in Lesotho struggle to access credit and financial services due to societal and institutional barriers. This results in limited capacity to scale businesses as most Financial Institutions have a 'one size fits all' Policy.
2. **Cultural and Societal Barriers:**
 - Patriarchal cultural norms and societal expectations restrict women's ability to engage in trade, often confining them to informal sectors or less profitable areas of the economy.
3. **Educational and Skill Gaps:**
 - The lack of education and training opportunities in business and trade-related fields limits women's ability to compete in the global market, coupled with lack of Technological capabilities.
4. **Trade and Regulatory Barriers:**
 - Complex customs procedures and limited representation in trade policy-making hinder women's ability to engage in cross-border trade effectively.
5. **Compliance and Quality Assurance:**
 - The unavailability of a Bureau of Standards in Lesotho is an impediment for compliance both in the country of origin and the destination country.

Policy Recommendations

1. Financial Inclusion and Support:

- **Establish Women-Focused Financial Products:** The government should collaborate with financial institutions to create affordable, accessible loans and credit products specifically designed for women entrepreneurs. These should have lower interest rates, flexible repayment terms, and minimal collateral requirements.
- **Expand Microfinance Services:** Support the growth of microfinance institutions that target women in rural and underserved communities. This can provide capital for small-scale businesses, particularly in agriculture and handicrafts.

2. Support Gender-Inclusive Trade Policies:

- **Incorporate Women in Trade Policy Design:** Women must be included in the policy-making process to ensure that their needs and challenges are reflected in national and regional trade agreements. This can be achieved by establishing dedicated women's representation in trade ministries and bodies like the Lesotho National Trade and Development Council.
- **Simplify Trade Procedures:** Streamline customs procedures to reduce bureaucratic barriers and make cross-border trade more accessible to women entrepreneurs.

3. Skills Development and Capacity Building:

- **Invest in Entrepreneurial and Technical Training:** The government, in partnership with NGOs and international organizations, should create accessible training programs for women in business skills, financial literacy, and digital trade tools. This includes entrepreneurship, marketing, and e-commerce training to allow women to compete in global markets.
- **Promote STEM Education for Women and Girls:** Encouraging women and girls to pursue education in science, technology, engineering, and mathematics (STEM) fields can open new opportunities in high-value sectors like tech-driven trade and digital services.

4. Promote Gender Equality in Land and Resource Access:

- **Strengthen Land Rights for Women:** Legal reforms are necessary to ensure women have equal access to land ownership and control over agricultural resources, which are crucial for scaling production and trade in agriculture.
- **Enhance Women's Access to Agricultural Inputs:** Provide women farmers with access to affordable inputs such as seeds, fertilizers, and tools, along with training on sustainable agricultural practices to increase tradeable production.

5. Create Infrastructure for Women Entrepreneurs:

- **Establish Women's Business Hubs:** Set up business incubators and resource centers that focus on supporting women in trade and entrepreneurship. These centers can provide a range of services, from training and mentoring to access to networks and financing.
- **Improve Access to Technology:** Provide affordable internet and digital tools for women in business, enabling them to take advantage of e-commerce platforms and participate in the global digital economy.

6. Address Compliance and Quality Assurance Constraints:

- **Develop a Bureau of Standards:** Such an entity will ensure compliance to international requirements for Export of locally produced Lesotho Products.

Expected Impact

By implementing these policy recommendations, Lesotho can expect the following outcomes:

- **Increased Female Participation in Trade:** With better access to financial resources, training, and land, more women will be able to engage in profitable trade, both locally and regionally.
- **Growth in Women-Owned Businesses:** Simplified trade procedures and women-friendly financial products will help women scale their businesses, leading to economic growth and job creation.
- **Enhanced Regional Trade Integration:** Empowering women entrepreneurs will enable Lesotho to take full advantage of regional trade agreements, fostering greater participation in the AfCFTA and SADC markets.
- **Reduction of Gender Gaps:** Addressing gender inequality in trade will lead to broader economic and social inclusion, reducing poverty and promoting sustainable development.

Conclusion

Empowering women in trade is not only a matter of social justice, but also an economic imperative for Lesotho. By addressing the barriers women face and creating targeted policies that promote gender equality, financial inclusion, and access to education, Lesotho can unlock the full potential of women in the trade sector. This will contribute to economic growth, improve national trade performance, and enhance the livelihoods of women and their communities.

End of Policy Brief

This policy brief highlights key issues and actionable solutions for improving the trade environment for women in Lesotho, offering a roadmap for both government and private sector stakeholders to implement changes that foster women's participation in trade.