

# The African Continental Free Trade Area Agreement (AfCFTA): Possible benefits for women and youth in Africa

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## ABSTRACT

This paper intends to analyze the potential economic benefits of the African Continental Free Trade Area Agreement (AfCFTA) for African women and youth population. Women and youth population in Africa live in poverty and are unemployed, resulting in high crime rates and increased dependence on social services. The fact that more people in Africa depend on social services has placed a burden on government resources. The African Union Summit in Kigali, Rwanda, in March 2018 witnessed the signing of the AfCFTA by the heads of state of 44 African nations. So far, 36 of Africa's 54 nations have signed the treaty. The AfCFTA will establish a single market for goods and services, making it simpler for individuals to move across the continent and foster trade development. It will also help economic growth and contribute to a more prosperous and equitable society. It is worth mentioning that Africa has the world's youngest population, with women constituting half of the continent's population. Based on this premise, this research analyzes how

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the AfCFTA might benefit women and youth population, utilizing a qualitative research approach and a review of the current literature. The article highlights the potential benefits from the AfCFTA for both women and youth population.

**Keywords:** AfCFTA – Women – Youth – Development – Poverty – Trade – Unemployment.

#### RESUMEN

Este documento pretende analizar los beneficios económicos la Zona de Libre Comercio Continental Africana (AfCFTA, por su sigla en inglés) para las mujeres y los jóvenes africanos. Las mujeres y los jóvenes en África viven en la pobreza y están desempleados, lo que genera altas tasas de criminalidad y una mayor dependencia de los servicios sociales. El hecho de que más personas en África dependan de los servicios sociales del gobierno ha supuesto una carga para los recursos del gobierno. La Cumbre de la Unión Africana en Kigali, Ruanda, en marzo de 2018 fue testigo de la firma del AfCFTA por parte de los jefes de Estado de 44 naciones africanas. Hasta el momento, 36 de las 54 naciones africanas han firmado el acuerdo. AfCFTA creará un mercado único para bienes y servicios, lo que facilitará que las personas se muevan por todo el continente y consoliden el desarrollo comercial. También ayudará al crecimiento económico y contribuirá a una sociedad más próspera y equitativa. Vale la pena mencionar que África tiene la población más joven del mundo, con mujeres que constituyen la mitad de la población del continente. Con base en esta premisa, esta investigación analizará cómo el AfCFTA podría beneficiar a las mujeres y los jóvenes. Finalmente, utilizando un enfoque de investigación cualitativa y una revisión de la literatura actual, el artículo destacará los posibles beneficios de AfCFTA para las mujeres y los jóvenes.

**Palabras claves:** AfCFTA – Mujer – Juventud – Desarrollo – Pobreza – Comercio – Desempleo.

## INTRODUCTION

Making the African Continental Free Trade Area Agreement (AfCFTA) work for the youth and women presents the tale of the AfCFTA's promise from the viewpoint of African producers, merchants, policymakers, and regulators. Within the framework of the agreement, African Union Member States have pledged to strive toward attaining gender parity and expanding the export potential of African women and young people (Ogo, 2020). On this basis, this paper seeks to assess how AfCFTA would benefit African women and the youth. Undeniably, most Africans are young, and the economic marginalization of women and African youth has contributed to the challenges the continent is presently facing.

Joblessness is one of the most pressing global development issues confronting governments worldwide. Moreover, 60% of the continent's population is under the age of 25, making it the youngest and fastest-growing continent (Onah & Okwuosa, 2016). Page (2019) indicated that between 2015 and 2035, Africa's working-age population would increase by around 450 million individuals at nearly 3% each year. The continent would be composed of 362 million young people aged 15 to 24 by 2050. Youth unemployment is perhaps one of Africa's most complex and critical development issues. While globally, the current financial and economic crisis has increased the number of unemployed young people, even before the crisis, the unemployment of young people was already a big policy concern in the region.

Africa's young population, which today reaches 200 million people, accounts for around 37% of the overall labor force in the region (Ackah-Baidoo, 2016). Youth unemployment continues to be a major political and economic worry throughout the continent. (Baah-Boateng, 2016). Particularly, in Africa youth

unemployment is aggravated by the added obstacles of a much larger youth population than in other regions, poor national labor markets, and high poverty levels. In all African nations, the population's median age is less than 20 years, meaning that more than half of the population is under the age of 21, and up to a fifth is between the ages of 15 and 24 (Awogbenle and Iwuamadi, 2010). The International Labour Organization (ILO, 2016) estimates that the forecast for youth (15-24 years old) unemployment in the major countries in the region remains rather diverse, ranging from 1.8% in Benin to 54.4% in South Africa. The ILO (2017) further states that in South Africa, the continent's most developed economy, more than 50% of all economically proactive youth were without a job in 2017. Reflecting on youth unemployment rates in Sub-Saharan Africa, the rates in Tanzania (5.4%), Nigeria (8.5%), the Central African Republic (10.8%), Ghana (11.5%), Mozambique (41.7%), and Namibia are lower than in South Africa (43.8%).

According to Ilesanmi (2018), issues regarding women's discrimination in African policymaking continue to dominate the global discussions around gender inclusivity. These issues are often the result of restrictive legislation, cultural differences and customs, institutional hurdles, and unequal access to healthcare, education, and resources. Reversing these biased behaviors can be accomplished by implementing the necessary procedures throughout the continent. According to projections based on current economic growth, Sub-Saharan Africa would only decrease severe poverty from 33.5% to 24% by 2030. If the present poverty trend continues in Sub-Saharan Africa, 86 to 90 percent of the world's severely poor will reside in the continent by 2030.

The most serious problem is that Sub-Saharan African women seem to be more impacted than their male counterparts due to the growing volume of Sub-Saharan African women who are

single moms, exacerbating the cycle of poverty. According to Statistics South Africa (2017), women are the most susceptible to poverty among most South Africans. This is exacerbated by ingrained cultural attitudes and practices that exclude women from different decision-making processes. Cheteni, Khamfula, & Mah (2019) pointed out that women and girls are more likely to be impoverished than men, since they earn 24% less. This has the potential to result in an unequal allocation of power in a household. Power disparities are obvious in rural/tribal regions where cultural roles favor men. Consequently, women have the greatest risk of poverty exposure because culture consolidates the reliance on men. Women risk greater gender violence as a result of their poverty. High poverty reduces women's productivity and diminishes their purchasing power, depriving them of access to education, healthcare, and basic services (Mukaila et. at, 2022).

Ending poverty in all its manifestations is of the highest priority in the global development agenda, and policymakers throughout the globe have prioritized steps to reduce it. However, the emphasis has mostly been on males, with the need to economically emancipate women been overlooked (Leal Filho et. al, 2022). Existing customary and statutory regulations in Africa restrict women's access to land and other forms of property, leaving them vulnerable and impoverished. Consequently, female-headed families have higher poverty rate, a trait all developing nations share (Nyathi & Thobejane, 2018). The world's total population below the international poverty line accounts for 654.9 million people, with 51.3% or 302.7 million people residing in Sub-Saharan Africa. Worldwide, women make up for 330 million of the poor, whereas males make up 49.7% (325 million) (Munoz Boudet et. al, 2018).

Taking into consideration the abovementioned information, this paper acknowledges that although African youth and wo-

men constitute most of the continent's population, they are often overlooked and excluded regarding economic benefits. This has had a significant influence, resulting in this demographic group turning to illicit activities to survive and avoid poverty while also carrying the burden of being parents. Therefore, this paper is guided by the following question: How might the African Continental Free Trade Area Agreement (AfCFTA) develop or open economic possibilities for Africa's youth and women? To answer the guiding question of this paper, secondary sources (through the literature review) were used. Literature relevant to the concept of the AfCFTA and its possible benefits for women and youth in Africa was consulted. This approach aimed to broaden the understanding of the underlying concept of the AfCFTA and examine the possibility of it contributing to the socio-economic inclusion of women and the youth in Africa's developmental posture. Due to its novelty, there have been debates and arguments around the inclusive aspects of the agreement regarding women (considering their marginalization) and the youth (considering that youth unemployment has become a pandemic on its own in Africa). Therefore, it becomes important to examine whether the agreement will contribute to the socio-economic emancipation of women and the youth. While relevantly new, various scholars have tried to understand the concept of the AfCFTA, presenting rich sources of information. Though some of these sources may not comprehensively speak directly to AfCFTA, women, and youth, they nonetheless offer views on the subject matter which will be utilized to enrich the paper.

After this introduction, this paper is structured as follows. First, the second section presents the findings related to women. Following, the third section will describe the opportunities related to youth population. The fourth section will analyze the link between the AfCFTA and the Africa Agenda 2063. From here, some projections on employment and opportunities for women

and youth will be presented. To conclude, the final remarks and policy recommendations will be drawn.

#### THE AFRICAN CONTINENTAL FREE TRADE AREA AGREEMENT: POSSIBLE BENEFIT FOR WOMEN IN AFRICA

The AfCFTA can help women informal cross-border merchants in three ways, all of which will increase their involvement in trade. First, through the improvements to physical infrastructure and informal cross-border traders' unrestricted movement. Second, by non-tariff obstacles and tariff reductions. Third, giving assistance for the formalization of informal cross-border trade (ICBT). Despite ICBT is not explicitly stated in the AfCFTA or the African Union Protocol on Free Movement of Persons, the AfCFTA may indirectly help informal cross-border commerce. For this, it must be stated that women's informal commercial activities represent a large percentage of African trade. In order to reinforce the idea that women informal merchants are key clients of trade ministries and RECs, their formalization must be addressed in mainstream trade policy. If these and other gender-specific barriers are overcome, ICBT can become a viable micro-enterprise that can help reduce poverty and promote food supply and women's empowerment in Africa (Macheng, 2021).

In its Preamble, the AfCFTA says that gender equality is important in international trade and economic cooperation. So far, there is no specific chapter on trade and gender in the AfCFTA. Article 3(e) highlights that one of the main goals of the AfCFTA is to ensure that women have the same opportunities as men. The AfCFTA presents a significant potential instrument for African nations to rely on their current national development goals, align them with the AfCFTA's rules, and execute them with a gender perspective (Parshotam, 2019).

The establishment of the AfCFTA is anticipated to transfer factors of production, including labor and capital, across sectors toward those with rising exports and within industries to more export-oriented enterprises. It is critical to examine the long-term adjustment costs of this transformation, particularly when these costs fall on disadvantaged or sensitive groups such as small-scale farmers, women, informal merchants, and the youth. Because most women in the area participate in lower-value subsistence crops rather than cash commodities for export, their possibilities to gain from the AfCFTA's export trade development are limited. Furthermore, women account for nearly 70% of informal cross-border merchants, making them susceptible and benefiting less from the AfCFTA (Seid, 2021). It is important to note that female participation in intra-African commerce is critical to the broader AfCFTA goal and that there is a need for focused assistance for women engaging in cross-border trade within African regions (Asiedu, 2021). It is anticipated that adopting the AfCFTA would boost intra-African trade by 81% by 2035, while increasing overall African exports by 29% (World Bank, 2020).

The AfCFTA is projected to support Africa's structural transformation by increasing intra-African trade and strengthening regional value chains and industrial networks. Implementing the AfCFTA might result in a 10% boost in earnings, with unskilled employees and women benefiting the most. An increase in work opportunities for women and a reduction in the continent's gender pay gap are expected to result from freer trade under the AfCFTA. Since the AfCFTA has this potential, it is being promoted as Africa's stimulus package to fight COVID-19's devastating impact on Africa's economic growth (Apiko, Woolfrey, & Byiers, 2020). Ogo (2020) indicated that women might profit from enhancements to the obstacles they encounter as small-scale, cross-border merchants. More than 70% of Africa's informal cross-border trade is believed to be conducted by women. As a result, they are



more vulnerable to harassment and abuse. By cutting tariffs, the AfCFTA makes it more affordable for informal traders to do business via official channels, which provides greater protection. To enable the participation of these groups, AfCFTA implementation must be followed by REC's-supported measures like streamlined trade regimes and better customs cooperation to lower trade costs and encourage their transition to formality. One example is the Improved Trade Regulation in the Common Market for Eastern and Southern Africa (COMESA). It is critical to emphasize the necessity of including gender concerns in discussions about the AfCFTA and its procedures, which are a fundamental element.

Women and youth in Africa stand to gain from increased trade in services, but only if African governments take a more open attitude. This includes ensuring that women may participate in the business sector and get higher-skilled service jobs in the priority service industries and providing avenues for women to participate in the enhanced continental market access. Gender equality is one of the many issues nations address as part of their national AfCFTA implementation strategy (Apiko, Woolfrey, & Byiers, 2020). Household-level analyses of AfCFTA's effects show that male and female-headed families benefit from the agreement to varying degrees in various nations. However, changes to informal cross-border merchants' barriers, particularly for women, may be beneficial.

The reason for focusing on women, youth, and small and medium-sized firms (SMEs) is because they constitute most of the continent's economically active population and are the engines of trade, both within and beyond borders. Women represent 70% of informal cross-border merchants, while SMEs account for 80% of the region's companies, according to often cited data (Ncube, 2022). The AfCFTA can help women and young people become more powerful and achieve gender equality, which can help achie-

ve national, continental, and global sustainable development goals. The AfCFTA will open up new trading and business opportunities for women in agriculture, manufacturing, and service industries, as well as other industries. Manufacturers who make things to sell outside their countries will look for supplies from small businesses run by women across borders. This will make it easier for women to participate in trade through rearranged regional value chains and to meet the standards of continental markets because more people will be able to move goods across borders (Songwe, Macleod, & Karingi, 2021). There are also more job chances on the continent, which has a thriving young population. There is increased potential for trade integration for nomadic merchants, businesspeople, and women who now operate on an informal basis, allowing for simpler movement throughout the continent with lower expenses for border fees, transportation costs, insecurity, and harassment, particularly for women. The deal would promote freer and safer mobility and trade for women throughout the continent. With lower tariffs, the AfCFTA will make it more inexpensive for informal merchants to operate via legal channels, providing better protection against harassment, robbery, and seizure of products than the existing system. It is also planned to simplify the clearance process while lowering import charges for women's trade (Onuka & Oroboghae, 2020). The final barrier is the AfCFTA's impact on relative pricing and poverty. The agreement might lift 6.3 million people out of poverty by raising domestic expenditure (Maliszewska, 2019).

#### THE AFRICAN CONTINENTAL FREE TRADE AREA AGREEMENT: POSSIBLE BENEFIT FOR YOUTH IN AFRICA

Youth unemployment is a major issue in Africa, particularly among young females and in the north African area. At the same time, while Sub-Saharan Africa's average jobless rate is slightly higher than the OECD average (14% vis-a-vis 12%), the aggre-

gated average masks significant variations across nations. The situation is even bleaker at the national level, with frighteningly high young unemployment rates in several African nations (Eswatini 56%, Botswana 36%, Namibia 46%, and South Africa 54%). This raises the potential of political instability and greater informality, given that informal occupations are sometimes a last, if risky, resort for survival (Lungu, 2019). People under the age of 35 presently constitute three-quarters of the population of Africa, making it the continent with the youngest population in the world. The AfCFTA has as one of its primary objectives the expansion of economic opportunities for young people (Brown, 2019).

It is critical to recognize that the AfCFTA, as a single merged intra-African market, would alleviate many of the continent's difficulties if adequately implemented. According to some authors, the AfCFTA can lift 30 million people out of extreme poverty and increase the income of 68 million Africans living on less than \$5.50 per day. The protocol on human mobility, right of residence and establishment will make conducting business and intra-Africa migration easier for many of the continent's youth population, potentially boosting the continent's economy and further reducing unemployment, which now stands at 60% (Hollington, 2021). The AfCFTA Protocol requires States parties to incorporate youth in achieving the agreement's goals. However, only Article 27(2) (d) of the Protocol tackles that subject, by stating that all service providers must improve their export capabilities, whether formal or informal. Women and youth service providers, as well as those in small and medium-sized companies, are included.

Similarly, Article 24 of the Protocol on Trade in Goods seeks to protect small and medium-sized firms (SMEs) engaged in goods production and their workers (Nanjira, 2020). Africa's youth are also a potential risk to regional projects like the AfCFTA if nothing is done to: (1) solve the unemployment crisis; (2) increase quality

job creation; and, (3) transform the youth training paradigm and encourage science, technology, engineering, and math (STEM). To begin with, the AfCFTA is designed to revolutionize the economies of 55 African nations today; hence the incorporation of the AfCFTA within the African Governance Platform (AGP) institutions enables the young to realize their entrepreneurial potential. The youth are organized in various ways, including student unions, religious organizations, political parties, and environmental organizations. These national-level organizations are reproduced as regional networks, generally on a theme basis, where they advocate and campaign for policy reforms at the regional level to have a more significant influence. These organizations and theme networks' hierarchy makes it simpler to connect with AGP institutions, yet issues persist with inclusion along the gender, rural-urban, professional, and religious divides. National youth forums may mobilize most young voices, and input can be channeled via national legislatures (Chikwanha, 2020).

#### LINKING THE AFRICAN CONTINENTAL FREE TRADE AREA AGREEMENT AND THE AFRICA AGENDA 2063

The AfCFTA was launched in 2010 and signed into law in 2019, while the African Union's (AU) Agenda 2063 was launched in 2012 and signed into law in 2015. There is a strong connection between AfCFTA's goals and those of the AU's Agenda 2063. An essential tool for positioning Africa to benefit from its vast trade and investment possibilities and contribute to the structural expansion of African economies and the elimination of poverty is the free trade area, which aligns with the Agenda 2063 initiative goals (Aniche, 2020). One of Agenda 2063's goals is to promote intra-African trade, develop a single market and regional financial institutions, and ensure the free movement of people and goods across Africa's borders. Given the significance of trade in regional integration and economic progress, to boost intra-African trade

and structural transformation via industrialization, socio-economic development, and regional integration, African leaders signed the AfCFTA agreement in 2018 to ratify it (Offei, Asare-Nuamah, & Masinde, 2020).

According to the African Union (2020), the AfCFTA would give economic possibilities that will boost African industrialization per the Agenda 2063 through the following mechanisms:

1.- The AfCFTA will cover trade between the continent's 55 countries. This market will have 1.2 billion people and a GDP of \$2.5 trillion. AfCFTA will be the world's most significant free trade area since the World Trade Organization was established.

2.- It is a fast-paced and ever-changing market. There will be 2.5 billion Africans by 2050, making up 26% of the working-age population of the globe, with an economy expected to expand twice as fast as the rest of the industrialized world.

3.- Businesses now face greater duties when exporting inside Africa than when exporting outside of it, with average levies of 6.1%. AfCFTA would gradually abolish tariffs on intra-African trade, allowing African enterprises to trade inside the continent while catering to and benefiting from the region's burgeoning market.

4.- Consolidating this continent into a single trade zone opens up new prospects for African trading companies, businesses, and consumers, as well as the opportunity to assist sustainable development in the world's least developed region. According to ECA, AfCFTA can potentially increase intra-African trade by 52.3% by removing

import taxes and quadrupling this trade if non-tariff obstacles are also lowered.

5.- Agenda 2063, the AU's development plan, includes the AfCFTA as a critical component. Agenda 2063 has been endorsed by the AU Summit as an urgent program that should be implemented immediately to reap immediate benefits, positively influence social and economic development, and increase Africans' faith in and dedication to Agenda 2063.

6.- The AfCFTA will help fulfill the UN 2030 Agenda, especially the Sustainable Development Goals. The UN 2030 agenda is also linked to Africa agenda 2063.

7.- AfCFTA may assist lessen Africa's dependency on foreign resources by promoting industrialization and economic growth. This would help Africa fund its development.

Almost all African nations believe that industrialization and structural change are priorities under the AU's Agenda 2063. Promoting industrialization in Africa should increase intra-African commerce in manufactured products and reduce the continent's reliance on imported manufactured goods and commodities. Over the previous ten years, the AU's Agenda 2063 implementation plan has achieved significant progress. It is expected to substantially impact the continent's integration, encourage intra-African commerce, and assist Africa's economy in industrializing. These include a single African air transport market, an integrated high-speed rail network linking African capitals and significant economic areas, and the establishment of continental financial institutions (Moyo, 2020).

The AfCFTA provides the legal foundation for a greater emphasis on gender. The 2017 Joint Declaration on Trade and Women's Economic Empowerment on the Occasion of the World Trade Organization Ministerial Conference in Buenos Aires (Declaration) was hailed as a watershed moment in putting gender on the trade agenda, and gender is also a major focus of the AU Agenda 2063. Although soft law mechanisms with no enforceable requirements, they provide the groundwork for more extensive work worldwide and under regional trade agreements such as the AfCFTA (Kuhlmann, 2021). In reiterating its resolve to pursue integration, the AU reviewed all of its objectives and initiatives over the last 50 years since the foundation of the OAU. The evaluation created a new strategy while retaining the goal of an integrated, wealthy, and peaceful Africa. This effort resulted in the creation of Agenda 2063, which seeks to foster African integration similar to AfCFTA (Owiro & Akoth, 2021). The AfCFTA, with a GDP of \$2.2 trillion to \$3.4 trillion, goes beyond the traditional FTA in its focus on cross-border movement of products, people, and services, as well as investment and improved connectivity among Africa's one billion people.

Furthermore, the AfCFTA complements the African Union's Agenda 2063 and the United Nations' Sustainable Development Goals. It is essential for encouraging equitable development via industrialization and extending possibilities for African residents (Amadichukwu, 2021). The AfCFTA can help accomplish Agenda 2063 and the UN Sustainable Development Goals for Africa as part of its efficient implementation and oversight (Sommer, 2019). Youth involvement and inclusion and the creation of new possibilities for them across all sectors are critical to Africa's long-term development. The AfCFTA is an open trading regime bolstered by assertive critical civil society organizations (CSOs) supporting and driving the democratic-building initiative in the region. Creating a safe, peaceful atmosphere in which young people may realize

their full potential might help Africa move toward peace and prosperity by 2063 (Chikwanha, 2020).

#### WOMEN AND YOUTH POPULATION EMPLOYMENT PROSPECTS

There are several problems in Africa's sustainable growth in employment and social inclusion. While women have long been seen as the most vulnerable individuals in the workforce worldwide, this is especially true in Africa, where women are underrepresented in official economic sectors (Asongu, et. al, 2020). Another challenge will be assessing the impact on women's employment. Suppose other changes addressing labor mobility and equality of opportunity are implemented. In that case, the agreement will enhance productivity in sectors with a high share of female workers, resulting in a 0.07% rise in their relative pay. However, engaging women in AfCFTA implementation via capacity-building and sensitization remains difficult (Agarwal, Kweka, & Velde, 2022).

Regarding the drivers of young employment in Africa, real GDP growth, domestic investment rates, credit availability, education, and infrastructure all influence job creation. The AfCFTA is predicted to enhance net real income by \$2.8 billion to \$100 billion, based on the extent of liberalization, and spur more significant local investment, particularly in infrastructure, which will create job opportunities for youth in Africa (African Development Bank Group, 2019). The AfCFTA is intended to improve intra-regional trade and expand production, resulting in job creation, particularly for Africa's burgeoning young population (UNECA, 2019).

The AfCFTA will have a significant impact on women's economic empowerment. Because of AfCFTA, it is hoped that more women and youth would be able to work in the trade industry.



Increasing the economic and commercial participation of women and young people is a crucial goal of the Protocol on Goods Trade and Services Trade. Africa's operational transformation language and narrative emphasize the importance of gender equality and women's enablement.

However, a slew of non-tariff barriers stand in the way of women being able to participate fully in the global economy and contributing to inclusive development. Adopting the AfCFTA will improve employment chances and wages for low-income workers while also helping to reduce the gender pay gap. The unemployment and impoverished concentration levels are among black Africans (32%), followed by women (31%). The AfCFTA will provide new possibilities for women in economically concentrated industries such as agriculture, manufacturing, and services trade, but the benefits will not be immediate. To guarantee that women have access to these opportunities, AU members must make a concerted effort to develop and implement gender-sensitive regulations and specific supplementary measures. Substantial efforts must be taken to encourage women and youth entrepreneurship. This might be accomplished via national efforts such as gender-sensitive education, women-training courses, financial help for female entrepreneurs, and the creation of tax breaks for women-owned businesses. Women make up a significant proportion of the labor force, and their inclusion in the economic and trade structures will promote cross-border trade and economic advancement while lowering poverty and unemployment rates (Woode, 2021).

Furthermore, the AfCFTA's inclusive implementation may aid in achieving women's empowerment and small business development objectives by leveraging trade possibilities for inclusive growth and employment (Sommer, 2019). In terms of expectations, the AfCFTA has much to live up to. Prospects for trade and

investment may lead to greater export diversification, productivity gains, and hence higher value-added and employment, which raises incomes and expands the market size. Aside from services, industrial trade is one of the most potential sectors of economic development (Apiko, Woolfrey, & Byiers, 2020).

#### THE AFRICAN CONTINENTAL FREE TRADE AREA AGREEMENT FUTURE PROSPECTS FOR WOMAN AND YOUTH FOCUS

Much work has been done in the five years since the AfCFTA negotiations began in June 2015. As of 2022, there have been 23 AfCFTA negotiating forums, 16 meetings of African trade ministers, and several technical working group meetings. The AfCFTA's trade operations began on January 1, 2021, as planned, but much work has to be done if the Agreement is to fulfil its full potential for Africa's growth (Songwe, Macleod, & Karingi, 2021). The pre-AfCFTA continental programs promoting economic growth among youth and women are ineffective owing to their incapacity to address current economic issues such as free movement and intellectual property protection. On the other hand, the AfCFTA and its protocol seek to address this by facilitating the free movement of people and money, encouraging investment, and enhancing intra-African commerce. These trade liberalization measures will help the continent's young women as SME owners or via informal cross-border trading (Nanjira, 2020). The AfCFTA, which is predicted to increase aggregate and long-run welfare, is expected to transfer factors of production, including labor and capital, across sectors toward those with rising exports and within sectors to more export-oriented enterprises.

It is critical to examine the long-term adjustment costs of this transformation, mainly when these costs fall on disadvantaged or sensitive groups such as smallholder farmers, women, informal merchants, and youth (Seid, 2021). Governments must establish

buyer-supplier networks that link small and medium-sized producers, especially smallholder farmers, to customers on a local and regional scale. Women and young people must be included in these activities (Haile-Gabriel, 2021). Increased investment in digital capacity development and trade facilitation is needed to upskill and reskill Africa's rapidly growing population, focusing on youth, women, and SMEs training programs (Chivunga, 2021). Supporting youth organizations in forming agreements with necessary authorities to exert supervision on cross-border engagement channels is a must for the effective inclusion of all youth, urban and rural. Gender-responsive youth desks at AfCFTA offices would be a valuable activity, and AGA institutions may urge accountability via regular monitoring reports. This would help to reduce gender inequalities in the entrepreneurial mindset, boost activity levels, stimulate company start-up facilities, and build sustainable lifecycles for young entrepreneurs (Chikwanha, 2020).

The AfCFTA has the potential to increase the African market, stimulate industrial growth, and convert Africa into an internationally competitive continent. The potential contribution of the AfCFTA to the transformation of youth and women's livelihoods is a reason for worry. The problem that has to be addressed at this point is the equitable distribution of opportunities created by the continental free trade zone across all demographic groupings on the continent. First, it is sufficient to state that the African youth bulge is already confronted with a high percentage of unemployment: 14%. Second, concerns must be made about whether women will profit equally from the possibilities provided by the AfCFTA, given their disproportionate access to cash, resources, skills, and political power (Mude, 2020). If the AfCFTA is implemented, intra-continental exports will rise, poverty will be reduced, and the continent will become more economically connected. The AfCFTA's success will not be guaranteed only by

being positive. For the AfCFTA's bright future, it is essential to thoroughly examine the possible challenges and disputes (Kang, 2020). One cannot argue that women are still very much suppressed in African society, and governments have not done enough to reduce their suffering poverty.

The AfCFTA aims to ensure that gender equality can be sustained through economic development and trade integration. This paper, therefore, supports the notion that trade integration in Africa will likely result in more gender equality and socio-economic inclusion. We argue that if trade can be consolidated in Africa, women can be supported and given the opportunities they need to play a role in trade. Nevertheless, African governments do not know what comes in and goes out of their borders. Therefore, formalizing women in cross-border trade becomes a key process in the quest for inclusive development. Golub (2015) argues that a significant amount of trade occurs on the border because borders are porous and largely unregulated, and countries should leverage this for development. Despite the need for trade policies that favor women and youth development, it becomes imperative to ensure that cooperation between members of the agreement is built on a strong foundation and characterized by trust and determination from all sides. Additionally, Africa's development level is greatly skewed; hence, it becomes important to observe how ACTFA will navigate this unequalness to promote gender and youth development through increased trade integration. However, it is important to argue that Africa is still a patriarchal continent, where men dominate all aspects of society (Babtunde, 2021).

While trade integration can contribute toward women's empowerment, there needs to be greater levels of support for women to remove gender discrimination and ensure that culture and tradition do not hamper women's developmental potential in trade. The OECD (2021) argues that trade can contribute to

women's empowerment, however, policies need to be supported by action, post-monitoring, and evaluation to ensure their effectiveness. Trade can dramatically improve women's lives, creating new jobs, enhancing consumer choices, and increasing women's bargaining power in society. African governments should go beyond the mere need to consolidate women in trade. Rather they should invest in training and networking skills and give them the educational and financial resources they need to run fully fledged businesses, thus empowering and at the same time contributing to economic development. It is acknowledged that inclusive trade policies can contribute to advancing gender equality and women's economic empowerment. AfCFTA should revolutionize trade in Africa and ensure that women (like in countries such as Vietnam, the Philippines, Indonesia, or China) are at the forefront of trade integration (Gentle, 2017). Empowering women means empowering society because women play an important role in society. However, they continue to remain at the peripheries regarding collaborative development.

#### CONCLUDING REMARKS

The AfCFTA aims to lower tariffs and non-tariff obstacles while promoting the free movement of persons, the right of residence, and the ability to start businesses and invest. Tariff reductions under the AfCFTA make it more inexpensive for informal merchants to operate via legal channels, which provide additional protection as a result of the agreement. Since women account for around 70% of informal cross-border merchants in Africa, this would benefit them. The AfCFTA Agreement highlights the significance of gender equality in its preamble and general goals, which include inclusive trade opportunities for women and young people. The Protocol on Trade in Services expressly calls for enhancing the export capability of women and young people. This is imperative since youth in Africa is about 70% of

the region's population, and many of Africa's small businesses are run by women and young people. They play a significant role in the countries' economic growth, as they make up for about 80% of all businesses in the region.

The AfCFTA has as one of its primary objectives the expansion of economic opportunities for young people, which will create jobs for youth in Africa. This is important because most African youths are unemployed, contributing to political insecurity, high crime rates, and a higher public debt burden in African countries. Before the AfCFTA, women and young merchants were less likely to have the requisite skills, technology tools, and money to benefit from trade and trade liberalization. Consequently, they endured invisibility, stigma, abuse, and harassment, as well as deplorable working conditions and a lack of recognition for their economic efforts. The AfCFTA aims to encourage, develop, and protect young and female traders to build Africa as a global trade powerhouse and improve the lives of all Africans. If the African continental free trade area is implemented effectively, undoubtedly, it will contribute to youth development through increased trade, employment, and entrepreneurship opportunities. With Africa having such a vast number of young people, the agreement will help facilitate youth integration and reduce unemployment, inequality, and migration. However, for this to happen, the youth must be given the resources needed to leverage the AfCFTA for their development, primarily educational and entrepreneurial support. Women at the center of informal trade in Africa will benefit significantly as the agreement will open a new market and simplify trading through reduced tariffs and the diversification of goods. AfCFTA will expand business prospects for women-led businesses by integrating informal SMEs into the continental markets.

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