



POLICY BRIEF | NOVEMBER 2024

Gender Responsive Budgeting in Ghana: An Analysis of the Trade Sector

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Gender Responsive Budgeting in Ghana: An Analysis of the Trade Sector

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1.0 INTRODUCTION

Gender equality is essential to achieving peaceful societies, productivity, economic growth and sustainable development. Given its importance, gender equality was enshrined in the UN Charter of 1945, the founding treaty of the international community. Subsequently, other human rights treaties have specified this obligation in greater detail, and ratification of the agreements has made it legally binding for the signatory states. Some of these treaties include the 1979 UN Convention on the Elimination of All Forms of Discrimination against Women, and the 1993 Declaration on the Elimination of Violence against Women.

International development goals also contain clear commitments to promote effective advocacy for gender justice. In the 2030 Agenda, it is defined as a cross-cutting goal in all 17 Sustainable Development Goals (SDGs). SDG 5 explicitly calls on the international community to ‘achieve gender equality and empower all women and girls. As a signatory of the SDGs, Ghana has implemented several policies and legislations including the Affirmative Action Act, 2024 to address gender parity gaps. However, challenges still exist, especially, women engaged in trading activities.

About 71.3% of the Ghanaian economy is informal and is largely dominated by traders with women forming a greater percentage¹. According to the Ghana 2023 Annual Household income and expenditure survey, about 40.1% of females were in non-agricultural self-employed without employees. Also, the percentage of women in services and or serving as sales workers was 41.7%. Women traders are pivotal to Ghana’s economy, particularly within the informal sector. They constitute a significant portion of micro, small, and medium enterprises (MSMEs), which are estimated to contribute about 70% to Ghana’s Gross Domestic Product (GDP)². Additionally, women dominate the wholesale and retail trade subsector, which employs approximately 21.3% of the nation’s workforce³.

This underscores the significant role women play in the trading sector and their contributions to economic growth and gender parity in Ghana. However, women traders face challenges such as limited access to information and knowledge on trade-related issues, limited access to productive and financial resources, limited training

1 Yegblemenawo, S.A.M. and Ntsiful, E. (2024), “The welfare of Ghanaian women in trade: the role of English and French language literacy”, *Journal of Humanities and Applied Social Sciences*, Vol. 6 No. 1, pp. 38-54. <https://doi.org/10.1108/JHASS-08-2023-0091>

2 https://www.businessghana.com/site/news/Business/258183/Recognising-efforts-of-women-Backbone-of-Ghanaian-economy?utm_source=chatgpt.com

3 https://www.emerald.com/insight/content/doi/10.1108/jhass-08-2023-0091/full/html?utm_source=chatgpt.com

and educational opportunities, inadequate infrastructure, such as poor transportation networks, and -multiplicity of taxes and license fees, among others.

The socio-economic implication of these challenges cannot be far-fetched as it extends beyond individual livelihoods to broader systemic issues. For example, lack of access to finance and credit can negatively affect business expansion and economic growth. It can also affect their income and wealth, diminish their social standing and lead to lack of representation and voice in the formulation of trade policies and regulations, thereby perpetuating gender inequalities. In a context where representative politics has increasingly become monetized, the financial means to participate in political and policy spaces is often a prerequisite.

Without sufficient economic resources, women face barriers to entering these spaces, where campaign financing, lobbying, and participation in stakeholder dialogues often require significant financial input. This lack of representation perpetuates a cycle of exclusion, as policies and regulations are shaped without their perspectives or lived experiences, often reinforcing structures that marginalize them further.

Consequently, the absence of women's voices in such forums not only limits gender-sensitive policymaking but also entrenches inequalities by failing to address systemic barriers like access to finance, equitable trade opportunities, and social protections. Bridging this gap requires targeted interventions to empower women economically and politically, ensuring their meaningful participation in shaping the policies that affect their lives and livelihoods.

This brief presents an analysis of the 2024 Budget Statement and the 2024 Mid-Year Budget of the government of Ghana, through a gendered lens, in respect of the Trade and Industry sector. We assessed how government decisions on revenue and expenditure as well as macroeconomic policies impact on women in trading activities. In framing our investigations, we identified gender gaps and challenges pertaining to the trade sector, and assessed the extent to which policies contained in the budget address or close the gender parity gaps or advance gender equality. This was necessary in order to determine whether the 2024 budget will help reduce, re-enforce existing gender inequalities or leave unchanged gender inequality.

2.0 REVIEW OF THE 2024 MID-YEAR BUDGET AND PROGRAMME BASED BUDGET OF TRADE AND INDUSTRY SECTOR

A) Macroeconomic analysis

Macroeconomic policies aim to achieve economic growth, maintain sustainable balance of payments, and ensure overall fiscal stability. Although these policies may not explicitly target gender equality, their implementation often has varied effects on women and men. It is, therefore, crucial to analyze their differential impacts to inform gender-responsive policy interventions.

In the context of Ghana's 2024 fiscal year budget, the government's decision to meet approximately 72% of its financing needs through domestic borrowing, mainly as a result of the debt sustainability challenges, raises significant concerns. This is likely lead to the "crowding out" effect " on private sector credit availability, disproportionately affecting women engaged in trading and small businesses, who already face structural barriers to accessing financing. This underscores the need for targeted measures to mitigate adverse gendered impacts of macroeconomic policies.

On a positive note, the VAT zero-rating introduced on the supply of locally manufactured African prints and on locally produced sanitary pads represents a significant step toward gender-sensitive fiscal policy. This initiative is expected to enhance the competitiveness of these products, thereby boosting the livelihoods of women who dominate trading in these markets. However, the Mid-Year 2024 Budget fell short of addressing critical concerns about the multiplicity of taxes and license fees imposed on small and medium enterprises (SMEs). Given that women constitute the majority in the SME sector, this oversight continues to hinder the growth and sustainability of their businesses, highlighting the need for comprehensive reforms to support women entrepreneurs.

B) Expenditure analysis

The Ministry's program is structured under six thematic areas: trade development, business development and promotion, standardization and conformity assessment, industrial development, trade and industry promotion, and management and administration. It is estimated that about 90% of businesses in Ghana are Small and Medium Enterprises which account for more than 80% of employment of which

majority are women and over 70% of private sector output⁴. The Ministry's program that aims to empower small and medium-sized businesses with financing and business support services is the business development and promotion. Total allocation to the SME sector constituted 91% of the allocation to the business development and promotion program and 17% of the total budgetary allocation to the Ministry of trade and industry in 2023 respectively.

However, in 2024, this reduced to 84% for the allocation to the business development and promotion program and 2% of the total budgetary allocation to the Ministry of trade and industry respectively. This will potentially have serious implications on access to credit and business development services by women engaged in trading activities.

The 2024 Programme Based Budget (PBB) underscores the government of Ghana's commitment to women's economic empowerment by showcasing key programs that build on achievements from 2023. Initiatives such as the GIZ Technical Assistance for Growth-Oriented Women MSMEs, the Coronavirus Alleviation Programme Business Support Scheme (CAPBuSS), the Ghana Enterprise Agency (GEA) Business Integrity Project, and the WISE Project (Women in Small Enterprises) have established a strong foundation for ongoing efforts in 2024. Under the Coronavirus Alleviation Programme Business Support Scheme, about 770,826 jobs were supported with funds, out of which about 71% were women -owned businesses.

Complementing these initiatives, the 2024 Budget Statement and Mid-Year Budget feature additional projects aimed at enhancing women's access to finance and equipping them with trade-related skills. Notable examples include the GEA/Plan Ghana WISE Project, GEA/Eni Ghana Economic Diversification - Building Business Project, GEA Business Integrity Project, and the GEA/Mastercard Foundation COVID-19 Recovery and Resilience Program for MSMEs. These programs are instrumental in addressing critical barriers, such as limited access to financial resources, training, and trade knowledge.

However, broader industrial and trade programs continue to fall short in adopting tailored approaches to address the unique challenges faced by women. Issues such as accessing high-value markets, finance, technology, and trade-related information remain insufficiently addressed. This gap underscores the need for more comprehensive and gender-responsive interventions to ensure women's full participation and equitable benefits in the trade and industry sector.

⁴ Ministry of trade and industry, 2019. National Micro, Small and Medium Enterprises (Msme) and Entrepreneurship Policy

3.0 HIGHLIGHTS OF THE MID- YEAR 2024 BUDGET AND ALIGNMENT WITH 2024 PBB GOALS

The Mid- Year 2024 Budget, while supporting broad trade and industrial growth, includes limited gender- specific allocations. Programs aimed at business development and inclusion continue, with objectives to develop technical and income-generating skills for youth, vulnerable groups, men, and women through apprenticeship training. Yet, gender-specific program components are sparse, with only a few targeted at women, as outlined in the 2024 PBB:

- 1. Hands-On Skills Development for Women:** A significant 2024 goal under the business development and inclusion program is to provide apprenticeship training with technical and income-generating skills for diverse groups, including women. This program aligns with broader PBB objectives for capacity building and is aimed at fostering self-sufficiency.
- 2. Capacity Building for Women in Oil Palm Processing:** Another core objective in 2024 is to build the capacity of 800 women in oil palm processing, focusing on reducing the environmental and climate impacts of their activities. This initiative not only provides skill development but also integrates environmental awareness, promoting sustainable practices in agricultural processing.
- 3. Output Indicators Targeting Women:** The PBB outlines specific output indicators, including the number of women provided with Business Development Services (BDS), to help monitor the sector's progress in supporting women's inclusion in trade and industrial programs.

Despite these efforts, the mid-year budget reflects only limited provisions for advancing gender equity. Broader industrial and trade programs lack tailored approaches for enhancing women's participation or addressing unique gender-based challenges in accessing finance, technology, or high-value markets.

4.0 GAPS AND CHALLENGES

- 1. Adverse gendered impacts of macroeconomic policies:** The macroeconomic policy stance of the government disproportionately affect women engaged in trading and small businesses. The policy will potentially limit access to funds and does not also address multiplicity of taxes faced by SMEs of which the majority are women.
- 2. Inadequate Gender-Specific Allocations:** The limited number of gender-focused programs within the 2024 budget highlights a gap in addressing women's economic empowerment comprehensively. Moreover, the allocation remains inadequate, especially, for the 2024 fiscal year, given the scale of women's participation in informal and small-scale business.
- 3. Institutional Constraints on GRB Implementation:** There is a limited institutional capacity within MDAs to implement and monitor gender-responsive budgeting (GRB) fully. This lack of structured GRB frameworks hinders the effective allocation and monitoring of resources to meet gender equity goals.
- 4. Data and Tracking Limitations:** Gender-disaggregated data are essential for tracking the success of gender-targeted initiatives. However, current data limitations restrict the ability to measure the mid-year budget's impact on women in trade and industry effectively.

5.0 RECOMMENDATIONS

- 1. Put gender lens to macroeconomic policy:** The Ministry of Finance should embed gender considerations into macroeconomic policy design to ensure equitable outcomes and sustainable development.
- 2. Increase Allocations for Gender-Specific Programs:** The Ministry of Trade and Industry should allocate a greater share of the budget specifically to initiatives supporting women in trade, such as providing financing and technical training to enhance women's economic resilience.
- 3. Strengthen Gender-Responsive Budgeting Capacity:** The Ministry of Gender, Children and Social Protection should liaise with the Ministry of Finance to build capacity of MDAs to improve GRB implementation and monitoring, ensuring that gender considerations are integrated at every stage of the budgeting and program cycle.
- 4. Enhance Gender-Disaggregated Data Collection:** The Ministry of Finance should coordinate with the MDAs to prioritize investment in gender-disaggregated data collection and analysis, especially with the Trade and Industry sector to improve accountability, track performance, and inform future budgets.

6.0 CONCLUSION

The analysis of Ghana's Mid-Year 2024 Budget and the 2024 PBB highlights the critical need for enhanced gender-responsive budgeting within the Trade and Industry sector to address entrenched gender disparities. While existing initiatives such as the WISE Project and the Business Integrity Project provide valuable support, the scale and scope of gender-targeted programs remain insufficient to match the significant contributions and challenges faced by women in the trade sector. To achieve meaningful gender equity, the government must prioritize increased allocations to the SME sector, which is predominantly female-led, expand successful women-focused programs, and strengthen GRB frameworks to ensure effective planning, implementation, and monitoring. Furthermore, improving gender-disaggregated data collection and access to trade-related information will be instrumental in evaluating the impact of trade programs and closing gender parity gaps. By addressing these areas, Ghana can better harness the economic potential of women traders and this will contribute to equitable and sustainable development.



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