

Gender, Trade and the WTO

Speaking Notes for the WTO Public Symposium *Challenges ahead on the road to Cancún*

Geneva, June 16, 2003

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Introduction

It is by now generally accepted that trade liberalization has different impacts on different countries and on different groups within countries. Trade liberalization creates or expands some activities or sectors, and contracts or eliminates others: gains or losses to individuals depend to a large extent on where their economic activities are based.

Men and women are affected differently by trade policies. They also have a different impact and influence on trade patterns and policies. This is because, worldwide, women and men have different access to ownership and control of productive resources (land, credit, and their own labour), decision-making and participation. We see these gender differences in sex-disaggregated statistics on employment, wages, labour-time use, access to productive inputs, as well as the allocation of paid and unpaid work between women and men.

In their business activities, women-owned small and medium-enterprises face well-documented gender-specific barriers that constrain their growth potential, including:

- constraints in access to financing;
- persisting gender bias in legal structures and financial institutions which limit women's choices to enter into and develop successful businesses;
- barriers in access to markets, including tourism, information and technology;
- barriers to participation in domestic and international trade fairs;
- training needs (management, information technology, etc).

Understanding the relationship between gender and trade policy is important for policy-makers so they will be better able to identify areas where trade liberalization may advance broader domestic goals, and where trade agreements might actually undermine other public policy priorities. Gender impact analyses can help policy-makers take into account not only the complementary policy measures that need to be implemented alongside trade commitments, but also the pace, scope and sequencing of trade liberalization.

Why is gender important? Why do we care?

Women, equally with men, are entitled to the benefits to be gained through trade liberalization, as well as to protection from any negative impacts. The equal rights of women and men are clearly set out in the principles enshrined in the Charter of the United Nations, and the Universal Declaration of Human Rights and other international human rights instruments. Equality rights between women and men are elaborated in the 1979 Convention on the Elimination of All Forms of Discrimination Against Women.

At the Fourth World Conference on Women in Beijing in 1995, members of the United Nations reaffirmed their commitment to these principles. They also drew attention to the gender dimensions of trade, and took on a commitment to:

- seek to ensure that national policies related to international and regional trade agreements do not have an adverse impact on women's new and traditional economic activities (Strategic objective F.1. 165 (k));
- establish mechanisms and other forums to enable women entrepreneurs and women workers to contribute to the formulation of policies and programmes being developed by economic ministries and financial institutions (165 (n)).

There are productivity gains to be achieved through policies that recognize and promote gender equality. Countries will be better able to take advantage of the opportunities presented by trade liberalization when they address gender-related barriers to the economic activities their workforce. The World Bank, for example, has concluded that greater gender equality and a less rigid or extreme gender-based division of labour promote growth in two ways: by raising the total level of productive capital in society, and by specifically increasing female productive capital, which has important pro-growth effects¹.

The first part of the paper briefly reviews some trends in our understanding of the impacts of trade liberalization on women. A key message from the research findings is that these impacts vary, and may be geographically or sectorally specific.

¹ *Integrating Gender into the World Bank's Work: A Strategy for Action*, 2002 p. 5

Some multilateral trade promotion organizations are attempting to integrate gender in their work, and the paper briefly describes the initiatives undertaken by one, the Asia Pacific Economic Cooperation forum. As the lead global institution for international trade, the World Trade Organization can make an important contribution to assisting governments address the gender impacts of trade agreements. The paper concludes with some suggestions on how the WTO might develop capacity to provide leadership in this area.

Trends in impacts of trade liberalization on women

Manufacturing

There is evidence of a correlation between increasing export orientation in developing countries and the share of women in formal employment, notably in light manufacturing. This can be empowering and contribute to poverty reduction through improved family nutrition, health and education. But these jobs typically pay low wages and involve poor working conditions, raising questions about net gain². Studies have also shown that women's total hours of labour-time may increase: while women's paid labour rises, their unpaid (domestic) labour does not decrease.

The evidence on impacts of trade liberalization on women's wages is mixed. Studies have pointed out that the relatively low wages paid to women workers were a key factor in the international competitiveness of semi-industrialized countries³. Women's wages do not necessarily rise with more trade, as their wages are often constrained by social norms and regulations. For instance, even where trade unions may address women workers' interests, trade unions and strikes are often banned in the export-processing zones where women work. Research suggests the gender wage gap is closing in some countries. This may reflect increased training and education among the female labour force, and possibly the effect of equity seeking domestic labour legislation. The evidence is mixed, however: one study has found that the gender wage gap actually increased in Taiwan and Korea over the period 1980-1999⁴.

Other research suggests that employment gains for women may have been short-term: in the period 1980 to 1995, in the high-exporting economies of East and Southeast Asia, the share of female employment in total employment in export processing zones (EPZs) and export-oriented manufacturing industries typically exceeded 70%. By the 1990s, even before the Asian financial crisis, however, the share of women in employed in the export manufacturing sectors began to decline. The factors that made women so attractive as

² *Making Global Trade Work for People*, UNDP, 2003

³ Stephanie Seguino, , "Gender Inequality and Export-led Growth: A Cross-Country Analysis", *World Development*, 28(7), 2000, pp. 1211-1230; "Gender Wage Inequality and Export-Led Growth in South Korea and Taiwan", *Journal of Development Studies*, 34(2), 1997, pp 102-132; Jayati Ghosh, "Globalization, Export-Oriented Employment for Women and Social Policy: A Case Study of India", UNRISD, July 2001.

⁴ Berik, Gunseil, Yana van der Meulen Rodgers and Joseph Zveglic, Jr.. *Globalization and the Gender Wage Gap: Evidence from East Asia*, December 2001

workers: the flexibility of hiring and firing, and the “flexible” non-union nature of labour contracts, also made women particularly vulnerable to job losses⁵.

As countries move into other types of production, a process of defeminization, or shedding of female workers, can occur, as in Mexico, with few alternative jobs in the formal sector available for women⁶. In response to these job losses, studies have shown that women may adopt non-standard employment in addition to their traditional domestic tasks, including trading in second-hand clothing or illegal cross-border trade (smuggling) and the sex trade.⁷

Trade in Agriculture

Much of the research on the gendered impact of trade liberalization has focused on manufacturing sectors, however, there is growing evidence that trade liberalization tends to disadvantage women, who constitute the majority of small-scale farmers in rural areas. According to the FAO, women make up about 44% of the formally documented agricultural work force in developing countries (about 37% in developed countries)⁸.

Market opening, through tariff removal and competition from subsidized exports, can affect women’s role and income as staple producers. Many studies that investigate the effects of trade liberalization on food security have pointed out that women are the main source of rural food production. Yet “gender rigidities” in control over land, labour time and the additional income that is generated by a switch to export crops appear to have constrained women farmers in some parts of Africa from following up on trade-related agricultural opportunities.⁹

There may be opportunities in exports of vegetables and flowers, however, these gains are also vulnerable to sudden changes in phytosanitary standards. In addition, small women producers face almost insurmountable difficulties in accessing accreditation mechanisms for their products.

In many sub-Saharan African countries, women's agricultural production focuses on food crops, not cash crops destined for export. One study on the impact of trade reforms in Zimbabwe’s agriculture sector found that women were affected more severely by trade liberalization than men: women play a key role in subsistence and surplus cash economy

⁵ See for example, discussion in the Report of the United Nations Secretary-General, *1999 World Survey on the Role of Women in Development: Globalization, Gender and Work*.

⁶ Ranjeeta Ghiara, “The Impact of Trade Liberalization on Female Wages in Mexico: An Econometric Analysis”, *Development Policy Review* Vol. 17, 1999, pp 171-190.

⁷ Klaus Schilder, *Lessons Learned? The Impact of Trade Liberalization Policies on Countries and Regions in the South: A Collection of Evidence*, World Economy, Ecology and Development (Weed), Berlin, 2002.

⁸ Filling the Data Gap: Gender-Sensitive Indicators for Agricultural Development, 1999, <http://www.fao.org/docrep/X2785E/X2785E00.htm>

⁹ S.U. a. O.U. Vredeseilanden-Coopibo, “Effects of Agricultural Price and Market Liberalization and other Factors on Food Security in Selected Districts of Uganda – Participatory Research Carried Out in Arua, Iganga, Kitgum and Pallisa Districts”, 1998, cited in Schilder, *Lessons Learned*, op. cit.

in households, but lack access to adequate agricultural credits to invest in production of crops for export¹⁰.

Services

There has been less analysis of the gender implications of the General Agreement on Trade in Services (GATS), however, many women's organizations have raised concerns about the implications for access, availability and affordability of food and nutrition, public health; basic social services such as health and education, and to critical natural resources such as water and energy. The GATS provisions on labour mobility are of particular interest to many developing countries.

Researchers at my Institute recently undertook a gender analysis of the labour mobility provisions attached to the GATS (mode 4) and NAFTA. The study looked at Canadian commitments under those agreements to see whether they were consistent with gender equality objectives set out in the Canadian Government's Plan for Gender Equality. The gender analysis framework set out four broad components: the content of the trade agreement provisions, the potential impacts of the provisions, the availability of sex-disaggregated data, and the involvement of women in consultation mechanisms and the policy-making process.

One finding was lack of sufficient sex-disaggregated data to be able to track the full impact of the NAFTA- and GATS-facilitated labour mobility on employment and wages in the Canadian labour market. The GATS provisions also tend to favour male-dominated sectors (engineers, architects, accountants, for example) and target mainly high-skill workers and business executives, where women tend to be less represented.

Tariffs

Trade liberalization can reduce customs revenue. The fiscal effect of lower tariffs can have gendered effects, often leading to cuts in social services and/or the introduction of user fees, which typically hit poorer women more. Women's role as caregivers means that they usually have to compensate for this deficit. This can mean increased unpaid work for women (through increased caregiving responsibilities), or increased hours of paid work, with girl children being removed from school to take on their mothers' domestic responsibilities.

The effects of increased developed country tariffs on processed products from developing countries are also not gender neutral. For example, in South Africa's fruit canning industry, women form the majority of the labour force and will be the major victims of protectionist EU tariffs and processing and marketing aids to European farmers¹¹.

¹⁰ J. Makmure, J. Jowa et al, "Liberalization of Agricultural Trade", 2001, cited in Schilder, *Lessons Learned*.

¹¹J. Head 1998, "Ek het niks – The Impact of European Union Policies on Women Canning Workers in South Africa", London, IBIS, One World Action, terre des homes, cited in Schilder, *Lessons Learned*.

Integrating Gender in International Trade Policy

Key development decisions regarding trade and investment are increasingly being made within international institutions in which developing countries are weakly or poorly represented and in which the gender dimension of these decisions is almost entirely absent. Yet this need not be the case.

Gender equality rights are not, at present, explicitly integrated in international trade agreements, however, some multilateral organizations concerned with advancing a trade and investment liberalization agenda are beginning to recognize these are relevant issues. The Asia Pacific Economic Cooperation (APEC) forum, for example, has formally recognized the significant role of women in economic development and the potential for gender differentiated impacts of APEC activities.

In 1999, APEC formally adopted a policy to integrate gender in its policy and programs. It developed a *Framework for the Integration of Women*, and the following year launched a two-year initiative to build capacity in gender analysis by its working groups and committees.¹²

APEC's initiative in some ways evolved from its own "grass roots": beginning with a series of projects examining the gender dimensions of aspects of the APEC agenda (notably, in human resources development; small and medium size enterprises; and, industrial science and technology); lobbying from an outside network of women in government, business, academia and civil society organizations (the Women Leaders Network) that received support from several APEC member governments; and, finally, a formal ministerial meeting of APEC ministers responsible for women in 1998 that addressed women's equal role in economic development in the region. The call by those ministers for APEC to integrate women into the mainstream of APEC processes and activities was fully endorsed by APEC heads of government the same year.

Two years is a very short timeframe to achieve such an ambitious goal, however, a review The North-South Institute undertook last year on APEC's progress on gender integration noted some important achievements:

- The organization has developed institutional procedures for gender integration;
- Gender awareness sessions have been offered to APEC committees and working groups;
- A series of "tools" have been developed to explain key concepts in gender analysis relevant to the specific interests of APEC, including gender criteria for

¹² Joint Declaration, Second APEC Ministerial Meeting on Women, 2002; Framework for the Integration of Women in APEC, both at <http://www.apecsec.org>; Heather Gibb, "Overview: Review of Gender Integration in APEC", http://www.nsi-ins.ca/download/gender_integration.pdf.

APEC projects, a *Gender Mainstreaming Good Practices* book, a workshop on analysis and evaluation of gender statistics, and a website.

- On the trade side, APEC's Group on Services undertook a study, "Firm Expatriation Policy and Practice in Services Trade: The Gender Dimension", and, more recently, the Business Mobility Group considered gender aspects of business mobility.
- This year, the Committee on Trade and Investment is embarking on a project that will examine mechanisms and good practice that support marginalized women producers access international markets.

There remain considerable challenges. The review found there is growing recognition in APEC that gender is important, but many of APEC's committees and working groups do not yet see how gender is directly relevant to their specific mandates. There is an ongoing need for capacity-building in the use of the three elements of the *Framework*. In addition, there appear to be broader organizational considerations that affect progress, including high levels of turnover in key positions and complaints of "bureaucratic overload" by officials. As one senior APEC official noted, "Gender analysis forces you to ask questions, and makes the infrastructure of your work more sophisticated, thorough and analytical. It sets a higher standard, so that needs more time."

APEC recently established a Gender Focal Point Network¹³ as a mechanism to directly involve its substantive working groups and committees with gender experts from women's affairs ministries, and to provide ongoing training on gender. A key challenge for APEC will be to ensure consistent and strong support for gender integration at the highest levels. The somewhat informal approach to gender integration that APEC has adopted (through a series of ad hoc committees with limited mandates) have presented internal challenges for follow through across the APEC agenda as well as for deepening APEC's analytical capacity.

There are other models: the Trade and Development Board of the United Nations Conference on Trade and Development (UNCTAD) investigated gender issues in trade in services at an expert meeting in 2001.¹⁴ The Organization for American States (OAS) has put in place an institution wide gender integration training program for their General Secretariat staff, and the InterAmerican Commission on Women is working with the OAS trade unit to provide resources for the OAS's

¹³ The network will involve "economy focal points" who should be from the women's affairs ministry, gender focal points from each of APEC's committees and working groups, and a dedicated APEC Secretariat official. The focal point network is to meet annually. At present, the vision is for a network involving government officials, however, it has been suggested that the network might be extended, or supplemented by linkages with researchers or other civil society groups.

¹⁴ UNCTAD, Report of the Expert Meeting on Mainstreaming Gender in Order to Promote Opportunities, February 2002, www.unctad.org/en/docs/c3em14d3.en.pdf, accessed December 2002.

next trade ministerial meeting. That ministerial will be focusing on gender and trade.

In May 2003, the Commonwealth Secretariat hosted a workshop for Commonwealth Missions and gender and trade networks in Geneva. This WTO discussion on gender and trade represents a preliminary step that might identify additional responses for the organization.

Gender and the WTO

Trade Ministers, meeting at Cancún later this year, should formally recognize in their Declaration that trade has gender impacts, and further, that it is necessary to take these impacts into account if the WTO is to achieve its goal of promoting the interests of “all peoples”.

The Marrakesh Agreement establishing the WTO establishes a strong rationale for the Organization to take a leadership role in addressing the gender implications of its trade liberalization agenda:

- The **Marrakesh Agreement Establishing the World Trade Organization** (1994) Organization declares that: **international trade and economic activities should be conducted in such a way as to improve livelihoods and living standards for all:**

The Parties to the Agreement,

Recognizing that their **relations in the field of trade and economic endeavour should be conducted with a view to raising standards of living, ensuring full employment** and a large and steadily growing volume of real income and effective demand agree to establish the World Trade Organization.

- In their **November 2001 WTO Ministerial Declaration, Ministers explicitly “recognize(d) the need for all our peoples to benefit from the increased opportunities and welfare gains that the multilateral trading system generates.**

As the lead global institution governing international trade, the WTO should adopt a formal policy of gender integration. This policy could include gender training for secretariat staff, and WTO-led research on the gender implications of trade agreements. The WTO could also provide support to WTO members interested in integrating the gender dimensions in their trade policy impact assessments. The WTO has already taken some steps in this direction, for example, providing sex-disaggregated trade statistics and making efforts to recruit women for its Secretariat staff.

Following are some specific suggestions:

The Secretariat:

The structure of the Secretariat is intended to reflect the work of the Committees and Working Groups. ‘Its main duties are to supply technical and professional support for the various councils and committees (of the WTO), to provide technical assistance for developing countries, to monitor and analyze developments in world trade, to provide information to the public and the media, and to organize ministerial conferences’¹⁵.

WTO staff need to have the capacity to undertake a gender analysis of trade rules and trade flows. The WTO could develop internal capacity for gender analysis of trade agreements, or commission such technical expertise from outside groups. The WTO could develop a “framework for the gender impact assessment of trade negotiations”, similar to environmental and social impact assessments, to be applied to the WTO negotiations. Such a framework would allow trade negotiators to identify gender considerations and systematically factor them into all phases of an agreement, from negotiation to implementation and evaluation, in a transparent and accountable fashion¹⁶. Preliminary gender and trade frameworks have been developed by the International Gender and Trade Network. WIDE (Women in Development Europe) has undertaken a gender analysis of the Cotonou Agreement and offers recommendations on how to enhance a gender perspective in ACP-EU relations. Another study outlines a gender aware research agenda for East Africa looking at the impact of new trade policies in the region.¹⁷

Capacity building at the WTO could focus on the Development and Economic Research Division, the Technical Cooperation Division and the Training Institute. All three play a central role.

- The Development and Economic Research Division could make an important contribution to mainstreaming gender analysis in its work servicing the Committee on Trade and Development, and its collaborative initiatives with the academic community and its special research reports;
- The Technical Cooperation Division is heavily involved in human resource development, institutional capacity building, and increased public awareness of WTO rules. In promoting better understanding of WTO rights and obligations or analysis of interests in ongoing issues of negotiation, it could provide WTO member governments with the analytical tools to do impact assessments incorporating a gender perspective;

¹⁵ Taken from the WTO website, <http://www.wto.org/>

¹⁶ See discussion of a “Framework for the Environmental Assessment of Trade Negotiations, Canada’s Trade Policy Strategy: Sustaining our Success”, Department of Foreign Affairs and International Trade, Canada, 2003.

¹⁷ Grace Ongile, (Haxton, Eva and Olssen, Claes (eds) 1999, *Gender Focus on the WTO*, Uppsala: Global Publications Foundation.

- Similarly, courses given by the WTO Training Institute could include gender concerns. In this case, simulation exercises about the development of negotiating positions could incorporate *ex ante* assessments of the gender impacts of alternative policy options.

In addition, the regular national trade policy reviews that are undertaken by the Trade Policy Review Division with national governments could incorporate an analysis of the impacts of trade policies not only in terms of the economic benefits and costs but also distributional issues including those affecting women and men.¹⁸ This could be undertaken in collaboration with gender experts.

The Committees and Working Groups:

A working group could be established to discuss how best to address gender and trade issues by the WTO, supported by a special research report by the Economic Research and Development Division. Alternatively a sub-committee of the Trade and Development Committee could be tasked to examine these issues.

Engagement with other organizations:

At present only a limited number of international organizations are able to observe WTO business. In order to enhance a gender perspective, it would be useful for broader engagement, both in terms of the number of organizations that are able to attend (such as UNIFEM, the ILO and WHO, for instance) and the scope of their participation (which at present is still quite limited).

It is also important for civil society organizations working on gender equality to have the opportunity to interact with delegates to the WTO and WTO staff at events such as this. In addition there should be opportunities for interaction in the course of WTO special research reports, training programs, trade policy reviews, and maybe even in some dispute settlement cases.

National initiatives:

The WTO could also assist member governments in developing capacity to understand and address the gender dimension of trade agreements by:

- providing financial and technical support for gender analyses of negotiating positions that could be undertaken by national or international women's organizations, or support for such initiatives proposed by national governments;

¹⁸ This was suggested by Susan Joeekes and Ann Weston, *Women and the New Trade Agenda*, UNIFEM, 1994. Others, such as UNDP, suggest that a human development assessment (which presumably would include a strong gender perspective) of WTO agreements should be conducted by an independent research program established by WTO members (see *Making Global Trade Work for People*, UNDP, 2003, p. 68)

- encouraging national governments to hold regular dialogues with women's organizations as part of their process in developing negotiating positions;
- encouraging national governments to include women and gender experts on negotiating teams, trade panels and trade missions;
- including relevant case study material on gender and trade in trade policy capacity building programs, and include women's organizations as participants in trade policy capacity building programs.

Conclusion

Trade and trade policy is not gender-neutral: government leaders have recognized there are differential impacts on women and men, and have made commitments to take steps to ensure that trade policies do not have an adverse impact on women's economic activities.

National governments need to develop capacity to understand how gender can constrain a country's capacity to take advantage of the opportunities presented by trade liberalization. They also need to develop capacity to identify those groups that will be most negatively affected by a proposed trade policy, so that adequate steps can be taken to protect those groups, and, where feasible, measures designed to facilitate their entry into new sectors opened up as a result of trade liberalization. This may involve decisions in on the pace, scope and sequencing of trade policies.

While there is a growing literature on gender and trade, the diversity of contexts among WTO members means that further research is urgently needed to identify and understand different impacts. Much expertise on gender and trade is located outside government, so it is important to develop mechanisms that are inclusive of that expertise.

Many multilateral organizations are beginning to look at gender dimensions of globalization as they relate to their respective mandates: as the lead global institution on trade, there is an important leadership role for WTO to play in advancing understanding the gender dimensions of trade liberalization