

Gender responsive trade policy: A tool for accelerating women's economic empowerment

National attitudes shape the extent to which women are engaged in economic endeavours relative to men, and these attitudes are not only reflected within nuclear family settings but also at the organisational level. The Global World Values Survey, for example, indicated that over half of the respondents in several South Asian and MENA (Middle East and North African) countries believe that in times of job scarcity, men had more of a right to job retention than women. Approximately 1 in 6 respondents in developed countries said the same thing (Madgavkar et al.). Yet, prejudices aside, the ascent in global trading presents powerful opportunities for women workers, traders and entrepreneurs.

To illustrate, global trading has amplified the amount of value-added output generated by service tasks such as design, marketing and distribution, as compared to traditional industries like agriculture and manufacturing (The World Bank 2020, 80). Whilst these traditional, labour-intensive sectors employ a higher share of men, services encourage female labour force participation by employing more women. Furthermore, production processes have become increasingly fragmented due to the rise of global value chains, and goods are now assembled using components made in factories across the world. This improves the access of women-owned Small and Medium sized enterprises (SMEs) to foreign markets, by ensuring that these SMEs are integrated into the supply chain of larger firms (The World Bank 2020,

80). Although the prospective trading opportunities for women are plentiful, socio-cultural, political and economic factors are such that women have less access to and control over resources like income and credit, and cannot therefore capitalise on vital opportunities. This essay seeks to highlight that trade policies only have a marginal effect on women, unless the gender differentiated impacts of trade policies and agreements are analysed, measured and addressed before implementation.

According to a study conducted by the OECD, '*women owned businesses tend to be smaller, younger and less well-financed*' (Korinek et al. 4). Consequently, trade policies rarely have the intended impact. Additionally, small firms, where women are concentrated, cannot easily navigate bureaucratic administrative procedures, thus inhibiting the extent to which women-owned businesses can engage in international trade. Given that trade has differing effects on both women and men, countries should be encouraged to conduct a gender related assessment of trade policies.

The Centre for Strategic & International Studies, notes that some countries have instituted an approach otherwise known as 'gender mainstreaming,' wherein the impact of policies on women's empowerment and gender equality are robustly monitored during implementation (Lim et al.). In this way, gender is at the forefront of every deliberation and is evaluated before the most crucial phases of trade policy formulation and negotiation are completed, thus ensuring that gender considerations are not an afterthought. The practical implication of this is illustrated below:

- **Proposal:** A member of the US House of Representatives proposes a bill to increase tax allowances for SME's.

- **Gender mainstreaming:** The authors of the bill and other policy makers would need to carefully evaluate and outline the anticipated impact of the bill on women as compared to its impact on men.
- **Conclusion:** If the analysis reveals that the bill would lend more support to businesses owned by men than to women owned businesses, the sponsoring committee would be encouraged to revise the bill.

The OECD has similarly developed a framework that governments can use in their design of trade provisions (Korinek et al. 50). Once women's participation in trade is outlined, policymakers can ensure that they have greater market access in female concentrated sectors, through domestic policies that offset any negative impacts and trade policies that enable women to wholly reap the gains from trade. Gender mainstreaming therefore can bring both awareness and legislative change to the systemic subjugation of women. Equally attractive to policymakers is the fact that gender mainstreaming has tangible economic benefits; the World Bank notes that facilitating market access for women can enable a country to increase its exports, boost GDP and lower unemployment, thus making better use of its labour force (The World Bank 2020, 11).

“Feminist trade policy” is another offset of ‘gender mainstreaming’ which seeks to ensure that all trade policies are gender responsive, by removing legal and non-legal barriers to trade and weakening extant structures that facilitate solely male participation in trade (Lim et al.). Indeed, embedding gender equality in the core text of trade agreements helps to increase political commitment and the funding allotted to gender related issues. This example is notable both on an intranational and international scale.

Intranational feminist trade policy:

In 2014, Sweden became the first country to explicitly adopt a feminist foreign policy specific to trade, that aimed to analyse the gendered impacts of the European Commission's proposals, prioritise the advancement of the female dominated service export sector and to attain greater female representation in Sweden's trade policymaking positions (Lim et al.).

International feminist trade policy:

Trade agreements are another instrument utilised by policymakers, which provides greater access to global markets for female traders and entrepreneurs. Preferential Trade Agreements ('PTA') that include gender specific provisions can reinforce countries' adherence to existing commitments pertaining to equal pay and stable labour standards for women (Korinek et al. 39). These agreements also resolve the shortcoming of "evaporation" wherein gender related issues are assessed during trade policy formulation, without any concrete measures included in any trade laws that are subsequently developed (United Nations 17).

According to José Antonio Monteiro of the World Trade Organisation, momentum in this area has been increasing steadily and as of November 2018, 75 regional trade agreements refer explicitly to women and gender related issues (Monteiro 2). Moreover, Ministers responsible for trade in Canada, Chile and New Zealand signed in August 2020 a Global Trade and Gender Arrangement that strives to "*make international trade policies more inclusive and ensure that the benefits of trade and investment are more broadly shared.*" (Korinek et al. 9). This Progressive Trade Agenda ('PTA') set a precedent by including chapters solely devoted to gender related trading concerns. This trend is encouraging because preferential and free trade agreements among two or more countries can advance women's participation in trade, promote mutual economic growth between countries and eliminate

non-tariff barriers, such as import quotas, that disproportionately hurt women owned businesses.

Whilst gender mainstreaming has an incontrovertibly positive impact on the economic attainment of women, there are some schools of thought which assert that the empowerment of women will remain marginal, unless changes are made to the economic and political contexts of women in the developing world. For example, encouraging developing countries to conduct a gender-related assessment of trade agreements before signing them, can be seen as imposing an additional burden on jurisdictions that lack resources, data and institutions with the capability of vetting and implementing such assessments (United Nations 15). For this reason, many developing countries are cautious when it comes to incorporating non-trade concerns into trade agreements. Though pivotal, this challenge is not insurmountable; developed countries for example, can support the establishment of local research capacities in the developing world. They can also lend valuable tactics and data, all of which will encourage governments in the recipient jurisdictions to take ownership of gender related policy options. Moreover, the point of gender mainstreaming is to bring awareness to and to reverse the economic under attainment of women. This involves reviewing the different iterations of possible barriers that women may face in the modern marketplace and acting in kind. For example, countries could construct participation metrics subject to evaluation should national standards on gender participation, fall short of the desired goals. Ensuring that gender related commitments are embedded into the economic and political contexts of the countries involved, therefore ensures that the economic advancement of women is made a strategic priority for countries that would not otherwise have considered it as such.

Additionally, gender stereotypes are rife in several countries, wherein a flawed perception holds to the effect that women's income is supplementary and not central to the wellbeing of

households. These stereotypes are often perpetuated through social norms and women are in turn assigned to *'unpaid social reproduction roles and functions, such as primary caregivers in the family and as those responsible for household chores'* (United Nations 6). The resulting effect is that women are left with little time to enhance their skills or take advantage of economic opportunities and novel markets for their businesses. To illustrate, the International Labour Organisation states that *'women perform 76.2% of the total amount of unpaid care work, 3.2 times more than men'* (International Labour Organisation 53). Moreover, *'in the EU, 25% of women report care and other personal responsibilities as the reason for not being in the labour force compared with only 3% of men'* (UNCTAD 10). This 'time poverty', as its otherwise called, further contributes to perpetuating the lower skills and educational attainments of women, and thus limits the scope of female employment to the informal economy or to seasonal jobs, where women are typically employed as *'temporary workers with little ability to negotiate their wages or work conditions'* (The World Bank 2004). The over representation of women in informal employment, notably in developing countries, makes it difficult to design effective trade policies, because jobs and businesses in the informal economy are not regulated by the state. Furthermore, if women remain less qualified than men, they are likely to also remain in lower paying and less secure jobs even if lucrative opportunities from trade expansion emerges.

The above indicates that while trade policies need to become gender responsive, alternative measures unrelated to trade are equally necessary, to avert the negative effects of occupational segregation on women. It is therefore imperative for governments to implement social policies that enhance the productive capacities and continuing skills acquisition of women. Feminist trade policy: an offset of gender mainstreaming, is a vital tool which seeks to meaningfully engage with and correct all barriers that women may face, as it pertains to benefitting from trade expansion. Therefore, a focus on skills acquisition (I.e.: subsidising

training and professional development for women or stakeholder engagement processes that target women and expand the availability of women's professional networks) can easily be embedded into the fabric of feminist trade policy as a corrective tool to address the hindrances highlighted above.

Works-Cited

- *Care work and care jobs for the future of decent work*. International Labour Organisation, 2018, [https://wcms_633135.pdf\(ilo.org\)](https://wcms_633135.pdf(ilo.org))
- *Gender Equality and Trade Policy*. United Nations, 2011, [https://gender_equality_and_trade_policy.pdf\(un.org\)](https://gender_equality_and_trade_policy.pdf(un.org))
- *Gender and Trade, Assessing the impact of trade agreements on gender equality: Canada-EU Comprehensive Economic and Trade Agreement*. UNCTAD, [https://Gender and Trade - Assessing the Impact of Trade Agreements on Gender Equality: Canada-EU Comprehensive Economic and Trade Agreement\(unctad.org\)](https://Gender_and_Trade_-_Assessing_the_Impact_of_Trade_Agreements_on_Gender_Equality:_Canada-EU_Comprehensive_Economic_and_Trade_Agreement(unctad.org)). Accessed 19 September 2022.
- Korinek, Jane, et al. (2021), *Trade and gender: A Framework of analysis*, OECD Trade Policy Papers, No. 246, OECD Publishing Paris, <https://doi.org/10.1787/6db59d80-en>.
- Lim, Jasmine, et al. “Towards a More Equitable Trade System: Empowering Women.” *Centre for Strategic and International Studies*, 15 January 2021, <https://www.csis.org/analysis/toward-more-equitable-trade-system-empowering-women>
- Madgavkar, Anu, et al. “COVID-19 and gender equality: Countering the regressive effects.” *Mckinsey & Company*, 15 July 2020, <https://www.mckinsey.com/featured-insights/future-of-work/covid-19-and-gender-equality-countering-the-regressive-effects>
- Monteiro, José-Antonio. *Gender related provisions in regional trade agreement*. World Trade Organisation, 18 December 2018, https://www.wto.org/english/res_e/reser_e/ersd201815_e.pdf

- “The impact of international trade on gender equality.” *The World Bank*, May 2004, <https://documents1.worldbank.org/curated/en/661841468328845692/pdf/302000premnote86.pdf>
- “Women and Trade: The Role of Trade in Promoting Women’s Equality.” *The World Bank*, 30 July 2020, <https://www.worldbank.org/en/topic/trade/publication/women-and-trade-the-role-of-trade-in-promoting-womens-equality>