



Trade Hot Topics

Women's Economic Empowerment and WTO Trade Negotiations: Potential Implications for LDC, SVEs and SSA Countries

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1. Introduction

At the 11th World Trade Organization (WTO) Ministerial Conference (MC11) held on 10–13 December 2017 in Buenos Aires, Argentina, 118 WTO members and observers agreed to support the Joint Declaration on Trade and Women's Economic Empowerment (JDTWEE), aimed at generating a framework for making trade and development policies more gender-responsive. The differential impact of international trade agreements on men and women is well documented, as are the benefits of gender equality for trade performance and economic growth (IANWGE, 2011). The Joint Declaration is a welcome first step, although there is no negotiating agenda, nor any intention to bring the issues to the WTO in the short to medium term. Proponents have agreed to collectively undertake some activities in the context of the WTO, raising the possibility of incorporating gender issues into multilateral trade negotiations in the future.

This Trade Hot Topic explores the possibility of incorporating gender issues into multilateral trade

negotiations at the WTO, as well as discussing the likely implications for least developed countries (LDCs), small, vulnerable economies (SVEs) and sub-Saharan African (SSA) countries. It also suggests that LDCs, SVEs and SSA countries conduct *ex-ante* assessments, which will provide them with a clear way forward in relation to fashioning appropriate responses and meaningfully participating in trade and gender activities at the WTO as and when they arise.

2. Trade and gender in LDCs, SVEs and SSA countries

Getting women into business and trade is a sound economic policy for LDCs, SVEs and SSA countries. Gender equality contributes to growth regardless of a country's level of development. In most LDCs, SVEs and SSA countries, women continue to face considerable challenges and constraints to taking advantage of business and trade opportunities compared with men. This is mainly because of issues related to their social role, limited access to resources and the gender stratification of labour markets.

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Women in LDCs, SVEs and SSA countries are likely to be involved in activities in the services sector, especially in sub-sectors with gender-associated roles such as cleaning, catering, entertainment and caregiving. In 2011, the World Tourism Organization (UNWTO) and UN Women estimated that, in Latin America, Asia, the Caribbean and Africa, women accounted for 59 per cent of clerical jobs, 44.7 per cent of services jobs and only 36.8 per cent of professional careers in the tourism industry. Women are also active in the textile, clothing and footwear and agriculture sectors.

Women tend to suffer disproportionately from sector displacement because of decreased foreign direct investment in areas where they comprise the most employees, such as in textiles, clothing and footwear. Also, increased competition in LDCs, SVEs and SSA countries (because of diminishing margins of preference in essential export markets) has left a higher proportion of women jobless. On the other hand, further liberalisation of tourism by LDCs, SVEs and SSA countries has the potential to offer significant opportunities for women to run their businesses, particularly in the informal sector, for example in curios, crocheting and beauty products.

Because most women are involved in informal trade, their economic activities remain for the most part unintegrated into formal channels. Moreover, women have limited access to information on trade, given continued segmentation by gender in economic activity, their unequal burden of household responsibility and unequal access to resources (UNCTAD, 2014). In this respect, women have been found to have limited knowledge of customs rules and tariffs, and of the streamlining of customs procedures and reduction in waiting times under trade agreements. This discourages them from moving from informal to formal trade, thus preventing them from taking advantage of the opportunity to expand their businesses. For example, the United Nations Conference on Trade and Development found that women cross-border traders in some SSA countries moved their goods across borders through unofficial routes as they found customs duty and other taxes too high and the rules too complicated (UNCTAD, 2018). Women are also more likely to be harassed at border posts and to be forced to pay bribes. While there have been some global changes in trends regarding skilled and semi-skilled women working abroad, as demonstrated by a gradual shift from family reunification to a more economically motivated

strategy, with more women migrating to work, women are still treated differently, particularly in that rules on qualifications and licences tend to discriminate against them.

The role of women in trade has not been explored in sufficient depth, as a result of the barriers hindering the meaningful participation of women in trade discussed above. The United Nations Inter-Agency Network on Women and Gender Equality (IANWGE) (2011) notes that women are more affected than men by the negative social effects of trade policy, owing to pre-existing gender biases in education and training and inequalities in income distribution and resource ownership, as well as in access to productive inputs. Existing gender imbalances at these macro, meso and micro levels determine the differential impact of trade on women and men, girls and boys.

3. The Joint Declaration on Trade and Women's Economic Empowerment

The JDTWEE was an initiative of the Trade Impact Working Group (TIWG). Established in December 2016 under the auspices of International Gender Champions Geneva (IGCG), a network that seeks to break down gender barriers, the TIWG is made up of several WTO members and international organisations.

Acknowledging the vital role trade and investment play in propelling economic growth and development in both developed and developing countries, the JDTWEE recognises the significant contribution that inclusive trade policies can make to promoting gender equality and the economic empowerment of women, which in turn can positively influence economic growth and poverty reduction. To this end, the JDTWEE stresses the need to improve women's access to economic opportunities through removing the barriers that prevent their participation in domestic and international economies. It is on this understanding that supporters of the JDTWEE have agreed to explore and find ways to tackle the obstacles to trade and other constraints, such as limited access to trade finance and sub-optimal participation of women in public procurement markets, that make it difficult for women to participate meaningfully in economic activities.

As such, the Declaration outlines several specific activities that members agree to undertake collectively in the context of the WTO to make trade and development policies more gender-responsive.

These include the sharing of experiences on policies and programmes that enable the participation of women in national and international economies, using the WTO information exchange and the WTO trade policy review process; and concerted efforts at the WTO to remove barriers to women's economic empowerment and to their participation in trade. In addition, members agree to work together to ensure that Aid for Trade can be made accessible to support more gender-responsive trade policies. Supporters of the Declaration have also committed to sharing best practices in carrying out gender-based analysis of trade policy and exchanging methods and procedures for collecting gender data related to trade and policy analysis.

Furthermore, the Declaration identifies several areas in which members will hold series of seminars to discuss issues related to trade and the economic empowerment of women. Progress on the activities outlined in the Declaration and towards its implementation will be reported in 2019, at the next WTO Ministerial Conference.

4. Incorporating gender issues into WTO negotiations

Most LDCs, SVEs and SSA countries support the JDTWEE. In doing so, they are demonstrating their recognition of the importance of placing women at the centre of global trade and of bringing women and trade issues to the WTO to help make it possible for women to participate meaningfully in trade. This also signifies a commitment by LDCs, SVEs and SSA countries to removing barriers that make it difficult for women to be economically empowered and to increase their participation in trade. Furthermore, it demonstrates the willingness of LDCs, SVEs and SSA countries to collaborate with other countries to build gender-responsive trade rules and policies. The focus on women's economic empowerment is an important acknowledgement that gender inequality in a trade context most commonly has negative outcomes for women.

While the Declaration contains several activities that members have agreed to undertake collectively in the context of the WTO, it does not specify ways in which gender issues can be captured in WTO discussions. In this regard, members may, if this can be agreed, have to discuss ways of putting gender issues on the WTO agenda and ensuring that negotiations bear gender inequality in mind so as to develop trade rules and policies that both benefit and negatively impact women and men more equitably. This will not be an easy task.

Already, some countries are concerned that the introduction of gender issues at the WTO may be a ploy to introduce new topics such as trade finance and government procurement through the gender lens. Some countries are of the view that the WTO is not a forum for discussing gender inequality.

What is clear, though, is that bringing gender issues to the WTO implies that members may have to scrutinise their policies and find ways of working together with other members to agree on ways to increase women's participation in the world economy and to foster a more inclusive trade agenda. In this regard, it is crucial for LDCs, SVEs and SSA countries to assess the implications of revising their policies for their economies and women at large.

It is also clear that members may have to carefully examine the implications in their own countries of other members' policies for women. Here, it is imperative that LDCs, SVEs and SSA countries consider the extent to which a foreign party can play a part in determining LDC, SVE and SSA regulatory interests based on the claim that these may affect the trade of its female citizens.

On the other hand, while the adoption of new measures on gender and trade may reduce barriers to women's participation in trade, it is also likely to increase the administrative burden in small states. LDCs, SVEs and SSA countries should also consider the implications of a possible expansion of the negotiating agenda if members agree to include gender issues at the WTO trade negotiating table.

Furthermore, the link between trade and gender is not fully understood in most LDCs, SVEs and SSA countries: such countries need to acquire a more in-depth understanding so they can fashion appropriate responses and meaningfully participate in gender activities at the WTO.

Consideration should be given to the growing tendency of trade agreements to incorporate trade and gender issues, and particularly the implications of this for WTO discussions on gender issues. Agreements such as the Canada–Chile and Uruguay–Chile free trade agreements have included trade and gender issues as specific chapters, covering issues such as gender-related standards, the harmonisation of gender-related legislation between parties, gender-related capacity-building, technical cooperation on gender issues and potential impacts of the agreements on women (UNCTAD, 2017). These can provide examples of

how the WTO might incorporate gender issues into its agreements.

Given the above discussion, it is critical that LDCs, SVEs and SSA countries conduct *ex-ante* assessments of gender sensitivity reforms to their trade policy, so they have a deeper understanding of the implications of possible multilaterally agreed conduct on gender and trade for their economies and for women in particular. Such assessments are critical because the effects of trade liberalisation on women are difficult to generalise, as they are context-specific (UNCTAD, 2017). In addition, the policies governments adopt to ensure that people, particularly women, benefit from opportunities arising from trade liberalisation tend to be different. *Ex-ante* assessments will provide negotiators and policy-makers with clear indications of areas of interest that will enable them to fashion appropriate responses to questions that might arise in WTO discussions and to meaningfully participate in trade and gender activities at the WTO. Such assessments will also prepare them for possible multilateral negotiations on gender and trade issues, as well as helping them mitigate the potential effects of multilateral gender-sensitive trade rules and ensure the maximisation of benefits under the new rules.

5. Conclusion

It is not clear whether gender issues are to be included in discussions at the WTO. What is apparent is that some LDCs, SVEs and SSA countries support the JDTWEE, which seeks to provide a framework for making trade and development policies more gender-responsive. In this regard, it is crucial that LDCs, SVEs and SSA countries

acquire a better understanding of the impacts of reforming their policies, and the implications of possible negotiations on multilateral rules on gender and trade for their economies, and for women in particular, so they can more meaningfully participate in trade and gender activities at the WTO. In addition, it is critical that these countries address the barriers that constrain women from participating in trade for inclusive economic growth and development, if they are to move further with gender integration and maximise the benefits from trade.

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International Trade Policy Section at the Commonwealth Secretariat

This Trade Hot Topic is brought out by the International Trade Policy (ITP) Section of the Trade Division of the Commonwealth Secretariat, which is the main intergovernmental agency of the Commonwealth – an association of 53 independent countries, comprising large and small, developed and developing, landlocked and island economies – facilitating consultation and co-operation among member governments and countries in the common interest of their peoples and in the promotion of international consensus-building.

ITP is entrusted with the responsibilities of undertaking policy-oriented research and advocacy on trade and development issues and providing informed inputs into the related discourses involving Commonwealth members. The ITP approach is to scan the trade and development landscape for areas where orthodox approaches are ineffective or where there are public policy failures or gaps, and to seek heterodox approaches to address those. Its work plan is flexible to enable quick response to emerging issues in the international trading environment that impact particularly on highly vulnerable Commonwealth constituencies – least developed countries (LDCs), small states and sub-Saharan Africa.

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ITP undertakes activities principally in three broad areas:

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- It conducts policy research, consultations and advocacy to increase understanding of the changing international trading environment and of policy options for successful adaptation.
- It contributes to the processes involving the multilateral and bilateral trade regimes that advance more beneficial participation of Commonwealth developing country members, particularly, small states and LDCs and sub-Saharan Africa.

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Selected Recent Meetings/Workshops Supported by ITP

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24 May 2018: Presentation of the Commonwealth Trade Review held in Geneva, Switzerland.

11 April 2018: The Commonwealth Prosperity Agenda: Towards a Common Future held in London, United Kingdom.

18 December 2017: Reducing Risks, Vulnerabilities and Enhancing Resilience held in London, United Kingdom.

10 December 2017: Trade and Climate Change: Opportunities and Challenges for SIDs, LDCs and Sub-Saharan Africa held in Buenos Aires, Argentina in collaboration with UNCTAD.

29–30 November 2017: Dhaka Retreat and Public Dialogue on Towards Eleventh Ministerial of the WTO Reclaiming the Development Agenda held in Dhaka, Bangladesh in collaboration with Centre for Policy Dialogue, Friedrich-Ebert-Stiftung Dhaka, Think Tank Initiative and LDC IV Monitor.

23–24 October 2017: Inaugural Meeting of the Commonwealth African Trade Negotiators Network held in Cape Town, South Africa.

26–29 September 2017: Commonwealth Working Group on Trade and Investment, held in London, United Kingdom.

12 July 2017: Enhancing Connectivity to Enable Graduation with Momentum in LDCs, Global Aid for Trade Review held in Geneva, Switzerland in collaboration with UNCTAD.

26–27 June 2017: Emerging Global and Regional Trade Issues for the Caribbean, St. Lucia.

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