

# GENDER, SOCIAL INCLUSION AND TRADE WORKING GROUP

## A PRIMER ON GENDER AND TRADE

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# STUDY COVER PAGE

Technical Study    A PRIMER ON GENDER AND TRADE		
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## LIST OF ABBREVIATIONS

AfCFTA	African Continental Free Trade Agreement
AfT	Aid for Trade
COMESA	Common Market for Eastern and Southern Africa
DCFTA	Deep and Comprehensive Free Trade Agreement
DSM	Dispute Settlement Mechanism
ECOWAS	Economic Community of West African States
EIF	Enhanced Integrated Framework
EU	European Union
FAO	Food and Agriculture Organisation
GATT	General Agreement on Tariffs and Trade
GBA	Gender Based Analysis
GDP	Gross Domestic Product
GEM	Global Entrepreneurship Monitor
GIA	Gender Impact Assessment
ILO	International Labour Organisation
IMF	International Monetary Fund
ITC	International Trade Centre
MGI	McKinsey Global Institute
MSME	Micro, small and medium enterprise
OECD	Organisation for Economic Co-operation and Development
RIA	Regulatory Impact Assessment
RTA	Regional Trade Agreement
SDG	Sustainable Development Goal
SDT	Special and differential treatment
SME	Small and medium enterprise
SIA	Sustainability Impact Assessment
TBT	Technical Barriers to Trade
TPR	Trade Policy Review
TRIPS	Trade Related-related aspects of Intellectual Property Rights
UNCTAD	UN Conference on Trade and Development
UNECA	UN Economic Commission for Africa
WTO	World Trade Organisation

## EXECUTIVE SUMMARY

1. This Primer explains how the regulation of international trade has evolved, why gender inequality and social inclusion need to be addressed in rule-making for international trade and the ways in which this has been done so far. It is a basic ‘crossover’ guide for audiences based in two very different domains of policymaking: trade policymakers and negotiators on the one hand and gender equality ministries and civil society stakeholders, on the other.
2. International trade is governed by a large, complex and ever-evolving set of trade rules. The system is “managed” by the WTO, as the only global umbrella authority, with 164 member countries. Hundreds of international trade agreements have been signed, some at the WTO (and global in reach), but the majority at regional level, among sub-sets of countries. All trade agreements enshrine the principles of predictability, transparency and equal treatment of traded products (goods and services) among the parties. The unique WTO dispute settlement system, which allows for trade sanctions in the case of non-compliance with WTO rules, has been a central pillar of the multilateral trading system.
3. The fundamental principle of WTO rule making is non-discrimination. This requires governments to commit to treat imports from all other countries the same in respect of taxation and product standards, and it also seeks to ensure that producers do not profit from, for example, hidden subsidies. There are two important exceptions to this principle. First, the WTO allows for preferential treatment for Regional Trade Agreements (RTAs). Second, special rights and differential treatment provisions (SDT) may be awarded to developing countries and allow other members to treat them more favourably.
4. GDP and international trade flows increased massively in the period 1945-2008, supported by this regime. Many poor countries benefitted and millions were brought out of poverty. But there were negative effects. Damage was done to the environment and income inequalities increased within countries. Economic theory predicted from the first that the results of trade would be mixed, and the WTO rules allowed for offsetting of some of the damage. Some exemptions were made for a while in respect of environmental effects, but more generally, governments were to a greater or lesser extent unwilling or unable to compensate losers within their own jurisdictions. As a result, there has been a groundswell of opposition to globalisation in recent years from different sides of the political spectrum, especially in developed countries.
5. To maintain credibility of the international trade system, the spotlight is now on ways in which trade rules and structures can be made socially inclusive. Informal discussions are now underway at the WTO to better understand how trade rules effect different economic actors, whether individuals (gender effects) or firms (with reference to the situation of SMEs).
6. The need for measures to reduce gender inequalities is a well-articulated social challenge. The objectives - and by implication the range of policy interventions needed – to promote gender equality are set out in the UN Sustainable Development Goals (SDGs).
7. Gender inequalities are the consequence of discriminatory forces that permeate all social activities. They are most severe and damaging in their effect in lower income countries, but greater gender equality would bring general economic benefits in all locations. In the economic sphere, gender inequalities are evident in three main dimensions: the allocation of unpaid work, treatment in paid work, and rights to property. In relation to international trade, the main points of impact are the constraints on the level and terms of women’s engagement in the labour market and on the operating conditions for women’s businesses. For women in paid work – a primary route to women’s economic empowerment - there is some evidence that, after an initial surge in

employment opportunities, conditions are worsening in export industries. As traders in their own right, women business owners have lesser access to credit and lower levels of capital, and, similarly to women workers, they are concentrated in less remunerative lines of business.

8. The imperative of reducing gender inequality has been raised in international trade agreements in different ways. In order of traction, gender equality may appear as an aspiration; as a principle; as the subject of special efforts in flanking implementation programmes; as a matter for monitoring; as a special chapter; as specific provisions in the body of an agreement without any enforcement mechanism; and finally as provisions with an enforcement mechanism attached.

9. This pathway has been pursued more vigorously in Regional Trade Agreements (RTAs) than within the WTO. There is no WTO gender agreement as such, and not likely to be one. WTO agreements are reached on a consensus basis. They are slow and will be difficult to achieve among states when, as in respect of social inequalities, conditions vary so greatly among the member countries. In addition, treatment of labour issues has rested with the ILO since 1919; it was not included in the WTO agreements at its creation in 1995 and has remained excluded ever since. This leaves the WTO able only to institute measures focussed on the trading opportunities for women as producers. This is being done in a number of ways. In addition, mechanisms have been put in place for monitoring and awareness raising of the gender effects of trade at the global level.

10. RTAs increasingly include declarations of commitment and specific means for parties to work together to reduce gender inequalities, although they are few in number. The contents of the main such agreements are described, and testify to some momentum towards mainstreaming gender equality objectives. Gender mainstreaming in this context refers to non-discriminatory and equalising measures that can be included in each of the main topic areas of RTAs, either as 'positive commitments' (affirmative actions to redress past discrimination) or 'negative prescriptions' (use of exemptions).

11. The study concludes by discussing how the trade policy making process within countries can be harnessed to the promotion of gender equality consistent with national development goals (such as the SDGs). Consultations, impact assessments and mechanisms for monitoring trade effects are all important in this connection. A gender sensitive trade policy making process is an essential prelude for parties to negotiations to be able to push for appropriate measures in future trade agreements.



# 1 TRADE RULES

## 1.1 The evolution of rule making

Trade across national borders, between economic actors located in different sovereign states, operates under rules of great complexity and sophistication. The rules cover global trade in agricultural products, textiles and clothing, banking, telecommunications, government purchases, and include agreements on industrial standards and product safety, food sanitation regulations, intellectual property and more.<sup>1</sup>

Goods are physical products – agricultural commodities (raw or processed), minerals, energy and fuels (crude or processed), handicrafts and all kinds of manufactured goods. The manufacturing of goods often involves the transformation of imported components. The growth of international supply chains has increasingly involved manufacturers not only in the use of imported inputs, but also in the export of semi-finished ‘intermediate’ products for further transformation at their destination before final sale to consumers.

Services trade, on the other hand, refers to a wide range of apparently unrelated activities, including business and professional services (computer, accountancy, engineering, architecture, health, programming, and telecommunications), financial services (insurance and banking), education, entertainment, tourism, distribution and transportation. These products are intangible, rather than physical, objects for which the internet has been an important enabling factor. In some cases the international service provider is present in the location where the service is delivered (thus, the consumer travels abroad, e.g. as a tourist or to receive medical treatment). In others, the service provider travels abroad to supply the service (as a foreign worker or a business with an establishment incorporated abroad). The total value of trade in services is huge; depending on the way that trade is measured, it accounted for 23% to 45% of total world trade in 2008 (Park et al 2013).

Underpinning this comprehensive rules-making effort, legal dispute settlement mechanisms (DSM) – courts or tribunals - have also been put in place for interpreting and enforcing the rules of global and regional agreements. Some agreements only contemplate a State-to-State DSM, others allow for an investor-State mechanism. Settlement mechanisms have sometimes been controversial. For example, the arrangements for, and judgements made in, investor-State disputes were non-transparent for many years, and it was only in 2005 that hearings in WTO State-to-State disputes were opened to the public. In addition, the use of the system can be disproportionately costly for poorer countries (Shaffer and Ginsburg 2012). A new area, especially relevant for the operation of global value chains is regulatory coherence or convergence. In parallel, new ways of codifying products, measuring trade to take account of global value chains and the activities of foreign investors in services trade, and harmonizing trade statistics have been developed.

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<sup>1</sup> Annex A is a glossary of selected terms that are used in the setting of trade rules and describes the main WTO agreements in force.

## 1.2 The institutional landscape

The institutional landscape for global trade rule-setting has existed in more or less its present form since 1947, when the General Agreement on Tariffs and Trade (GATT) was created as a result of the Bretton Woods agreements. It later developed into the World Trade Organisation (WTO) created in 1995 following the Uruguay Round and Marrakesh Agreement, and remains the central overview body for the compliance with trade rules and the only global umbrella authority for international trade. WTO agreements are global and reached on a consensus basis among its whole membership, which now extends to 164 members.

All WTO agreements embody a set of key principles. The first is the non-discrimination principle, which requires member countries to treat all trade with all countries in the same way. Some exceptions to this principle are acknowledged.

First, preferential treatment of trading partners is permitted<sup>2</sup> in the case of regional trade agreements, notified to the WTO.

Second, exemptions or safeguards allow for rules to be waived, under certain conditions and if done in a transparent and open way.

Third, special and differential treatment may be granted to developing countries<sup>3</sup>, lengthening the period agreed for implementation of new rules or lessening the rate and scope of tariff reductions.

The unique State-to-State WTO dispute settlement system, which allows for trade sanctions in the case of non-compliance with WTO rules, has been a central pillar of the multilateral trading system, as it has discouraged arbitrary measures by countries. Now, however, it is in jeopardy because new appointments to the appellate body have been blocked unilaterally by a member country.

Because of increasing difficulty among member countries for finalising and enacting new Agreements, litigation within the DSM had become a central feature of the WTO in recent years. The outcome of some of these disputes has not been agreeable to one powerful member and this led to the blockage of appointments to the appellate body, which strongly limits the reach of the DSM. This fragility is one manifestation of the WTO's distinctness as a decision-making body, namely its universality and the requirement for consensus in decision making. That feature has also made it increasingly difficult for the WTO to finalise and enact new Agreements. For many years, the GATT negotiating rounds and agreements dealt only with trade in goods. Other relevant multilateral trade agreements such as the General Agreement on Trade in Services (GATS) and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) were only agreed on as late as 1995 as part of the Marrakesh Agreement.

By the same token, this difficulty in reaching consensus on new agreements has encouraged the formation of Regional Trade Agreements (RTAs)—i.e. the establishment of trade arrangements of geographically smaller coverage, among sub-sets of countries, bilaterally or among groups. With fewer parties involved in negotiations, the negotiations process itself can be faster and easier, though it is never simple or straightforward.

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<sup>2</sup> Under GATT Article XXIV.

<sup>3</sup> The WTO recognises the 47 (UN defined) least developed countries, but does not define 'developing countries'. Countries can self-define as 'developing' issue by issue.

The number of RTAs<sup>4</sup> has mushroomed since the early 1990s. These all draw on the edifice of trade rules and operating principles elaborated at the WTO. In other respects, however, they are different from WTO global agreements. First and most fundamentally, as noted, they break with the non-discrimination principle by giving preferential access to their market to parties to the Agreement, compared with other countries in the world. Second, although the scope of the agreements varies, and in some all the elements of WTO rule-making for trade in goods and services are bundled together, their coverage can be more limited. They address economic activities and patterns of trade of specific interest to the member countries of the agreement. The scope and depth of the agreement can thus go beyond WTO rules, but these remain the bottom-line of any commitment. Third, they entail the pursuit of greater comparability of social and economic legal frameworks among the countries party to the agreements; compatibility of these frameworks can be an objective of the negotiations and the basis for selection of prospective country members. Paradoxically, therefore, parties tend to include reservations that permit them precisely to retain country-specific elements. This can make implementation of RTAs very hard.

### **1.3 Changes in trade policies and the consequences: a very brief history**

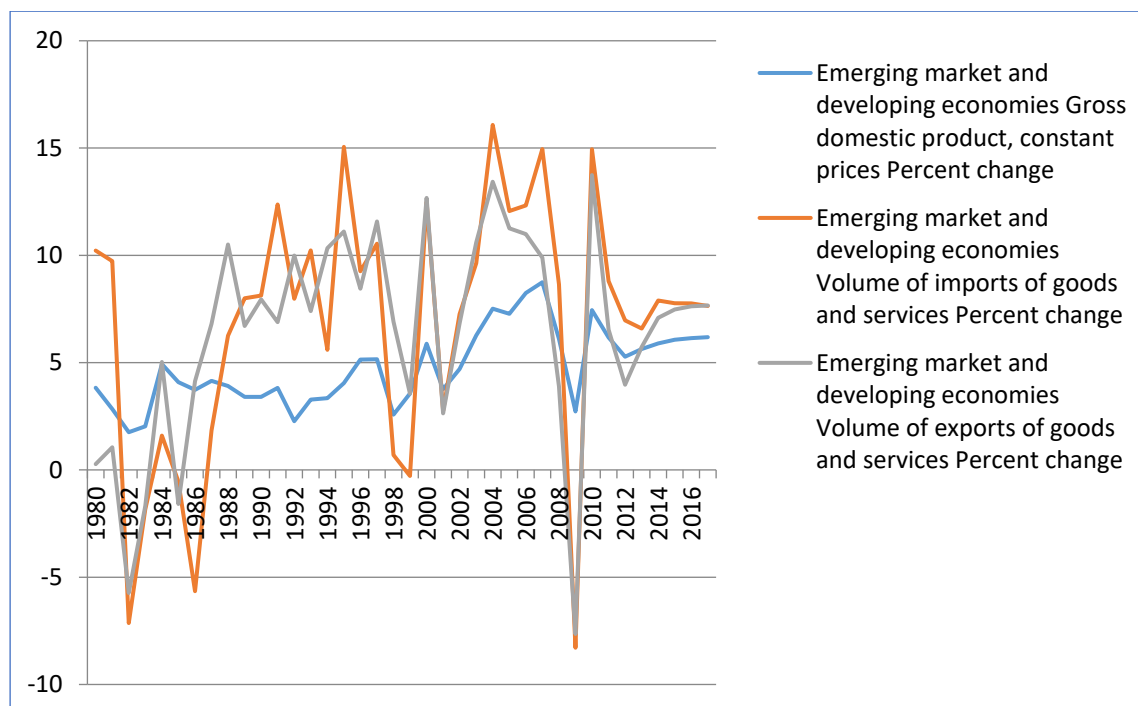
For most of the second half of the 20<sup>th</sup> century, the general thrust of trade policy making was, on the one hand, to secure reductions in the level of tariffs levied on traded products as they cross international frontiers and, on the other, to develop the scope and coverage of legally binding rules and procedures. Average global tariffs in trade in industrial goods were brought down from 40% in 1947 to less than 5% in 1993. Tariffs for agricultural products and subsidies have been a contentious issue for many countries, both in the developed and developing world. The rule-making effort involved elaboration of product standards, disciplines on government supports and non-tariff barriers, and improvement in customs procedures, covering an ever-increasing range of products both of goods and services, mirroring the changing structure of economic activity. Bilateral agreements for other procedures were put in place in the 1990s as well, for the treatment of, among others, rules of origin, dumping, subsidies and safeguards, intellectual property rights, government procurement, investment; and in some cases commitments to enforce labour and environmental laws. Other challenges remain. Environmental protection is still not properly integrated. Many other topics are under negotiation or in preparatory discussions, including investment facilitation and e-commerce in the WTO.

This comprehensive effort was enormously successful until the 2008-2009 crisis. Massive increases in the volume of trade and in global GDP were supported by this regime. Trade volumes were quite volatile from year to year (mostly reflecting variations in commodity prices) but the trend up to a peak in 2008 was clear. The nature of the pattern since then is hotly debated, with some observers considering that the subsequent short-term decline is attributable to the absence of any major new agreements recently at the WTO (Hoekman 2015). See Figures 1 and 2 below.

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<sup>4</sup> [https://www.wto.org/english/res\\_e/reser\\_e/ersd201815\\_e.htm](https://www.wto.org/english/res_e/reser_e/ersd201815_e.htm)

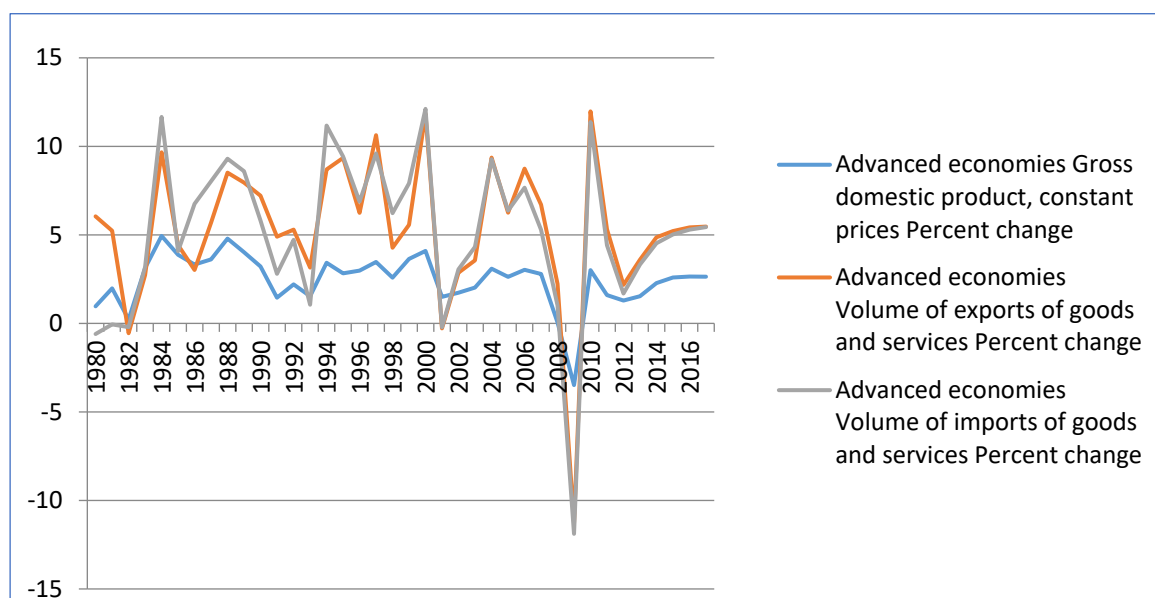
**Figure 1: Annual changes (percent) in trade and GDP 1980-2017: Emerging and developing economies**



Source: IMF data.

In total, emerging and developing economies saw faster growth in trade and GDP than advanced economies, as they built up capacity and entered international markets for modern industrial goods and services for the first time.

**Figure 2: Annual changes (percent) in trade and GDP 1980-2017: Advanced economies**



Source: IMF data. Note the vertical axis is scaled with different (smaller) values than in Fig 1a.

In many emerging and developing economies, levels of poverty fell at unprecedented rate during this period. Millions of workers found jobs and earned higher incomes than before exporting firms and in lines of business that expanded to meet increases in local demand.

New ways of measuring and analyzing trade flows are continually under development. These have aimed most importantly to better reflect the characteristics of and impediments to trade in services, to provide information on global value chains, and to ensure full harmonization of trade statistics across countries.

Trade expansion was not unproblematic. The precise contribution of trade expansion to growth, as compared to, for example, technological change, has not been fully determined (partly because of interactions between the two). In addition, the negative side-effects of trade expansion have become evident, including those associated with GVCs which now account for 50% of all trade and increasingly cover services as well as manufacturing (World Bank 2020). The processes used to produce goods for foreign markets and their transportation by land, sea and air across borders are energy intensive and often, where supply chains are in place and the emerging product criss-crosses borders several times over, more costly and more wasteful than alternatives, and damaging to the environment (World Bank 2020). Economists had always predicted that there would be losers as well as gainers from trade and that trade expansion could drive greater income inequality within and perhaps between countries. For example, the gains from participation in GVCs are not distributed equally. Inequalities have arisen in the distribution of firm profit mark-ups across countries, with margins rising in firms in advanced countries and falling in developing countries. The distribution of income for GVC operations has shifted towards capital and labour's share has fallen. The tax revenue losses, and thus the resource flows to governments for public expenditures, have been substantial because corporate profit declarations have been shifted to low tax jurisdictions and governments competed with each other in this respect. These revenues losses are substantial, particularly for lower-income countries (World Bank 2020). Government policies could, in principle, individually or collectively, offset many of these effects (resources permitting). But in practice, few governments took action. Policies were not put in place either to counteract the emergence of new inequalities or to prevent the exacerbation of pre-existing inequalities with the growth of international trade and related restructuring of economic activity.

## 1.4 Bringing in the social dimension

To maintain the legitimacy of trade liberalisation and as a corrective to those ill effects, the WTO agenda on trade governance has included, for more than twenty-five years, discussion of 'trade-related' measures. The first issue that was addressed, from 1994, was the environmental impact of trade. The social dimension, broadly defined, has been addressed in trade policy making since about 2000, with greater intensity in the past decade.

The principle that environmental objectives could have priority over trade provisions was agreed and upheld in legal rulings by the WTO dispute settlement body on several occasions. However, commitment proved short-lived. In 1999, the category of non-actionable subsidies for environmental protection disappeared<sup>5</sup>. No agreement on developed and developing countries was reached to extend the original derogation. Some environmental provisions remain but they are weaker. Contentious issues related to the environment can be reviewed under the Technical Barriers to Trade (TBT) Agreement and the Committee on Trade and the Environment is dedicated to dialogue between governments on the impact of trade policies on the environment, and the impact of environment policies on trade, but it does not address disputes or make new rules.

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<sup>5</sup> As part of Article 8 of the WTO Subsidies Agreement.

As noted, support for developing countries, permitted under WTO special and differential treatment provisions, has become one of the WTO operating principles. It has been the driver of some of special developmental initiatives adopted by the WTO - for example, the Trade Facilitation Agreement and the Aid for Trade programme. These were established to assist poorer countries to develop the infrastructure and expertise needed to implement international trade rules and practices<sup>6</sup>. They were strictly limited to trade operations without any social developmental content.

The social dimension has become firmly established on the agenda for rule-making for international trade since about 2000. The majority of trade agreements since that time have explicitly included support for one or more element of social or human rights, broadly defined to include:

- adequate labour conditions and protection of labour rights;<sup>7</sup>
- transparency and anti-corruption measures;
- guarantees of political participation;
- protection of indigenous and cultural rights; and
- standards with respect to specific commodities whose trade impacts on human rights.

In particular, 80% of all trade agreements signed since 2013 include labour provisions which go beyond World Trade Organization rules (IHRB 2019).

Although arguably implicit within the labour rights component of the social agenda, it is notable that gender equality is omitted from the above reckoning. Yet in other global, social development policy forums, gender equality has a central place. The prime example is the United Nations 2030 Agenda for Sustainable Development, adopted in 2015. The Sustainable Development Goals (SDGs) lay out, in great detail, a wide range of commitments to reduction of poverty and improvements in the provision of basic goods and services on an equitable basis across the population. The SDGs raise gender inequality as an issue in several ways. A large section of the SDGs (Chapter 5) addresses women's rights and claims to equality of treatment in economic as well as social and political domains. Gender equality is also mentioned explicitly as a dimension of outcomes throughout the SDGs.

Almost all governments have signed up to the UN SDGs. They are being held accountable for their actions in relation to (among others) the gender equality goals and targets in international forums, including but well beyond the UN, as well as by domestic political and social actors. The SDGs do not, however, prescribe any particular measures to be taken up in the trade policy field, referring to expansion of international trade as an important means to developmental ends, rather than an end in itself. Trade policymaking and negotiations have gone ahead in parallel to the SDGs commitments, often without governments ensuring policy coherence across the two domains of international and domestic policy.

There are variations among trade rule-making institutions as to how far they are able, or have attempted, to address the topic of gender inequality<sup>8</sup>. Some innovative and substantive provisions

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<sup>6</sup> In the absence of any agreed definition within the WTO, countries can nominate themselves as developing economies. Under the TFA agreement, this confers eligibility for aid for trade infrastructure in conjunction with implementing provisions of the TFA. In the context of 'special and differential treatment', it is a means for exercising rights to exemption from particular commitments (World Bank 2020).

<sup>7</sup> One of the ILO basic principles is for non-discrimination at work, which includes non-discrimination by gender.

<sup>8</sup> The concept of socially inclusive trade is even wider. The objective is to improve the conditions of all disadvantaged individuals and groups of all kinds, whatever their gender, considering the position of people with disabilities, migrants and indigenous peoples. Social categorisations of this kind intersect to create overlapping and interdependent patterns of differentiation and disadvantage. Developmental concerns could be said to include this



have indeed been introduced into free trade and regional trade agreements and pressure is mounting for the issues to be debated inside the WTO.

## 2 THE JUSTIFICATION FOR BRINGING GENDER CONCERNS INTO TRADE POLICY

### 2.1 Domains of gender inequality

Most trade agreements have been ‘gender blind’, that is, they make no reference to gender inequality. They have been expected to be ‘gender neutral’ in their effect. But they can never be so as they operate in a terrain where societal forces produce gender differentiated outcomes in the economic sphere.

Economies are ‘gendered structures’, driven by gender discriminatory forces that permeate all social activities. While these put limitations and special expectations on both genders, the discrimination is unequivocally to the disadvantage of women in the economic sphere. The effects are most severe and damaging in lower income countries.

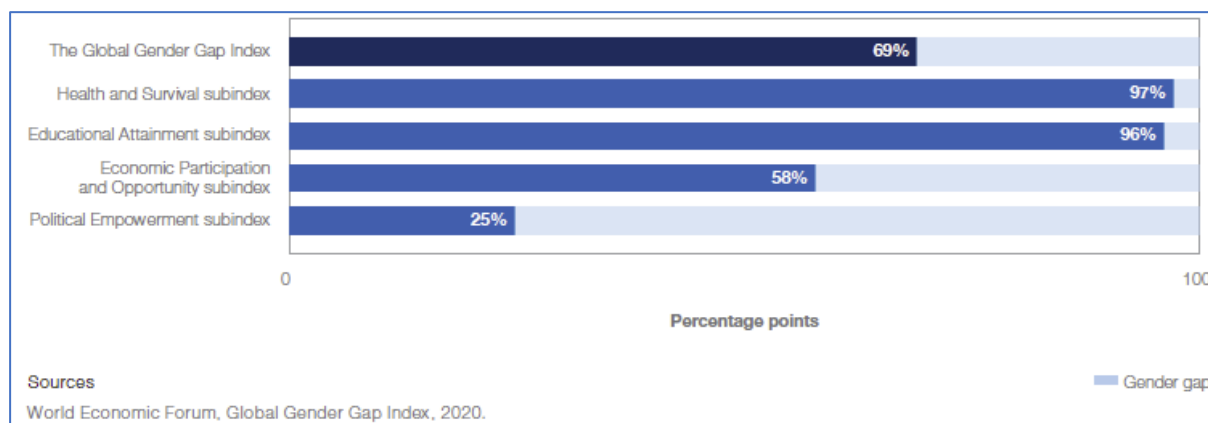
Many attempts have been made to identify and assess the extent of gender inequality in different domains. One body of work examines the incidence of gender discrimination in ‘social institutions’, assessed in five dimensions: discriminatory family code, restricted physical integrity, son bias, restricted resources and assets, and restricted civil liberties. The corresponding Social Institutions and Gender Index<sup>9</sup> covers formal and informal laws as well as attitudes and practices that discriminate against women. By this measure, levels of discrimination are highest in lower income countries. Discriminatory social institutions are maintained coercively and gender-based violence against women is prevalent worldwide both in the private (household) and in the public sphere. In developmental terms, gender-based discrimination in social institutions in low-income countries represents an additional bottleneck to growth (Ferrant and Kolev 2016). Another approach estimates gender gaps across different fields of human activity (health, education, the economy, and politics). Figure 3 shows that the gender gap is worst in terms of political participation and second worst in terms of economic participation and opportunity. These fields are deeply interconnected.

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aspiration, but they have had even less explicit mention than gender inequality as a trade-related issue. For the sake of clarity, and focus, this Primer is therefore largely limited to discussion of gender concerns.

<sup>9</sup> At <https://www.genderindex.org/>

**Figure 3: Main types of gender gaps**



## 2.2 Forms of economic discrimination and disadvantage

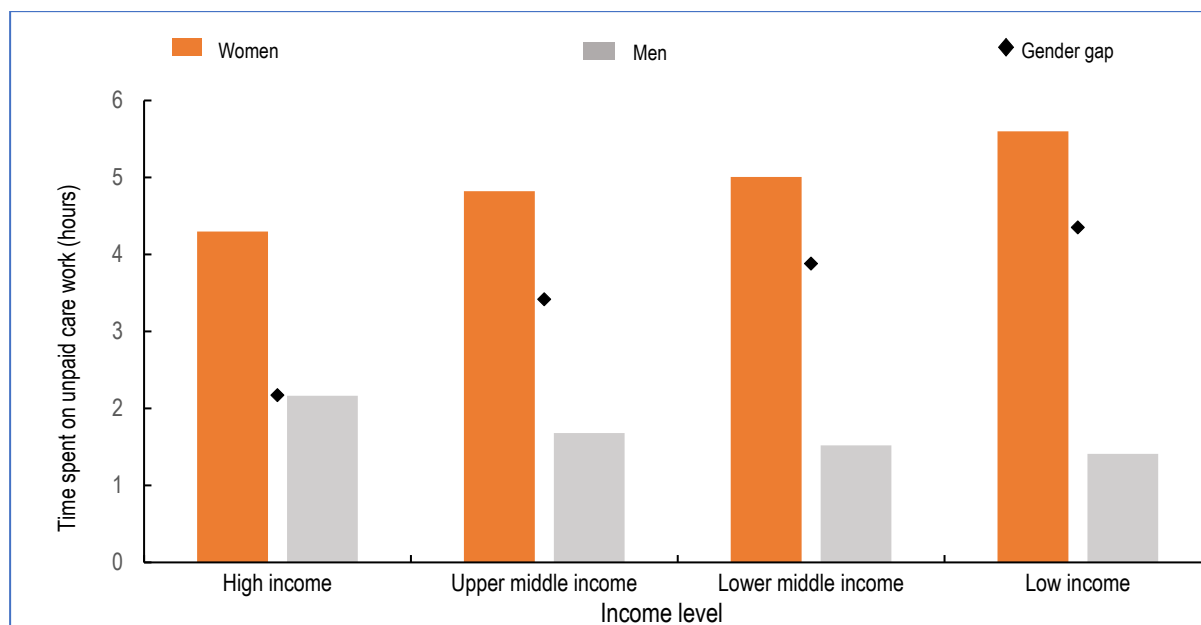
In the economic sphere, gender inequalities are evident in three main dimensions: the allocation of unpaid work, opportunities for employment, pay and quality of jobs for paid workers, and the rights to property. These factors interact to produce a complex, multifaceted overall picture. Gender differentiated outcomes are manifested worldwide, with significant regional variations, exemplifying at once the “endless variety” and “monotonous similarity” of gendered constraints (Kabeer 2016).

First, societal norms delineate women’s ‘primary’ role as in the ‘reproductive’ sphere. They are required to be the principal givers of care for others (children, the elderly and infirm). Unpaid work burdens are unevenly distributed: women undertake the bulk of such work, across all types of activities (housework, person care, community care) (OECD 2019). Figure 4 shows that women’s share of the unpaid care workload amounts to between 4.2 and 5.5 hours per day on average, compared to men’s 1-2 hours. There are variations within countries as well—for example, among women according to their household income level and marital status.

The total gender gap is highest in lower income countries. See Figure 4.



**Figure 4: Regional gender gaps in unpaid care work by income group**



Source: OECD 2019.

The greatly unequal demands that women face with regard to household and care responsibilities affect the types of jobs which women can access.

There are three main effects of the uneven allocation of unpaid work. The first is that paid care work is undervalued. When women are paid by others to do care work beyond their own family or household or immediate community, it tends to be poorly paid. As the coronavirus pandemic is showing, basic care workers, “the people we need the most, are often the ones we value the least”<sup>10</sup>.

Women predominate in this kind of work. By far the most female-dominated occupations are personal care workers, such as healthcare assistants and home-based personal workers. Caring personnel are 88% female compared to 12% male. Healthcare dominates the occupations that are mostly filled by women. Around three-quarters of health associate professionals – assistants in areas such as pathology, imaging and pharmacy – are women, and 69% of health professionals, such as general medical doctors and nurses, are women. Cleaning roles, teaching, clerical support and food preparation are also dominated by female workers, to the tune of at least 60%.<sup>11</sup> In upper middle and high income countries, migrant workers are often concentrated in this type of work. Its low rates of pay lead many in the local population to disdain the work.

The second effect is that women have less time available than men for paid work; they are ‘time poor’. When women do take on paid work, they work shorter hours. The difference is most marked in South Asia, where 67% of employed women work less than 35 hours per week. The gap is also large in Sub-Saharan Africa and Southeast Asia (ILO 2016). Shorter time working not only generates lower earnings for workers, it is also associated with low bargaining power over pay and conditions. Vietnam is one of the countries that has seen rapid, export-oriented economic growth, including increases in paid employment opportunities for women. Nevertheless, over the period 2004-2012, there has been a slight widening of the earnings gap by gender among wage workers (UN Women 2016).

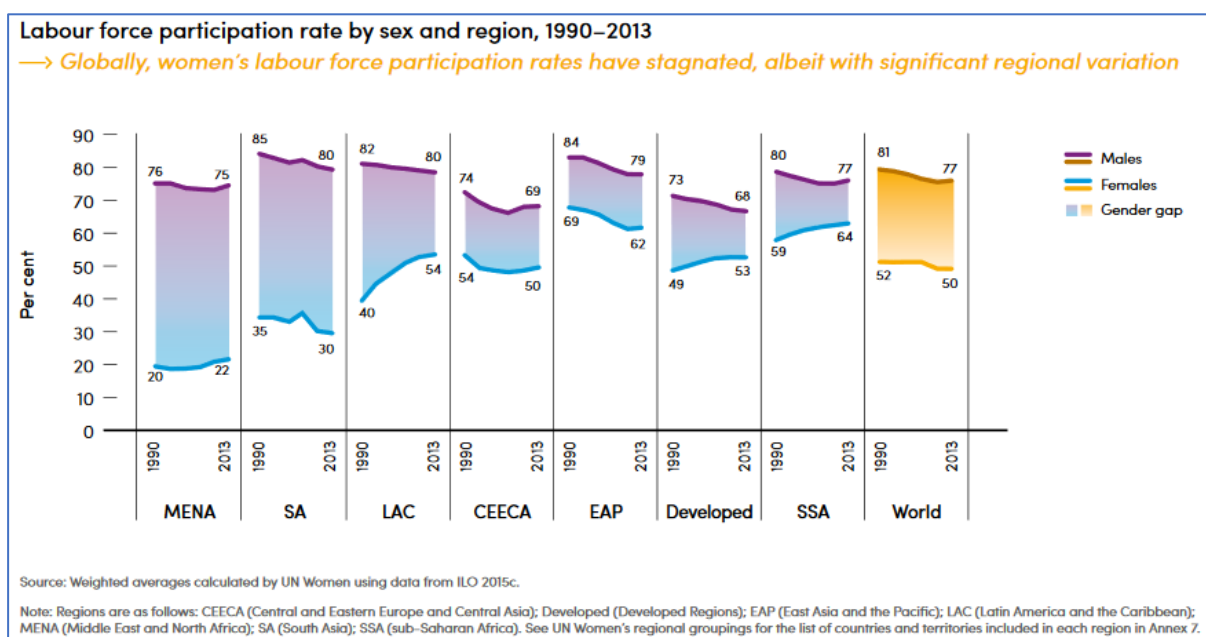
<sup>10</sup> Financial Times 1 April 2020 (Sarah O’Connor).

<sup>11</sup> ILOstat data.

Unpaid care responsibilities impede women's ability to take on 'modern' jobs, where hours are strictly supervised, long and continuous. In poor communities, women with children in particular cannot travel far and may have to return home periodically throughout the day (OECD 2019).

Women's employment levels are relatively low<sup>12</sup>. Worldwide, fewer women participate in the labour market than men. In most regions, the female labour force participation rate has risen over time, with the important exception of South Asia and East Asia and the Pacific. The ratio of female-to-male labour force participation is around 66%. The ratio has been rising over time in most countries since 1990 (World Development Indicators/ILO), but held back by the situation in South Asia such that overall there has been only a very slight decline (see Figure 5).<sup>13</sup>

**Figure 5: Labour force participation rates and gaps by gender**



Source: UN Women 2015

Increased employment for women may be necessary but it is not sufficient for gender equality. Like all people, women can enjoy and find fulfilment in employment for its own sake and earning their own incomes outside the traditional family expands women's choices in a wide variety of areas (Seguino and Braunstein 2019, ILO 2017). On the other hand, many women take employment out of need. Whatever the reason, increased employment of women does not, without other changes, lead to equality of employment status by gender. The terms and conditions of work differ systematically by gender and there are few signs of change in this respect.

First, in lower income countries – but not in high income ones – far higher proportions of women than men work in 'informal' jobs, with little or no job security and no associated right to social protection, such as unemployment benefits or pension entitlements.

<sup>12</sup> Here 'employment' is used to indicate participation in the labour market. This is the normal metric, which ignores most forms of unpaid work. Definitions of employment – and by extension the measurement of 'economic production', national income and growth – are highly problematic, having themselves been influenced by gender norms. Definitions are gradually being changed, chipping away at the notion that unpaid work is not an economic activity. This subject is too large to be addressed in this paper.

<sup>13</sup> Data in this section, unless otherwise stated, are from the ILO at <https://ilostat ilo.org/2019/12/13/100-statistics-on-the-ilo-and-the-labour-market/>

Second, labour markets are segregated by gender<sup>14</sup>. In some countries, there are still legal prohibitions on women entering particular jobs and sectors (WBL, various dates) although job segregation persists worldwide for other, social and cultural reasons and force of inertia. Employed women are concentrated in lower productivity work. Larger shares of women than men are employed in agriculture (especially, as family workers, in lower income countries) and in moderate-productivity services—for instance, in health, education, care, retail, hospitality and more, as noted above<sup>15</sup>. Within manufacturing, women’s jobs are concentrated into relatively low-skill, labour intensive work such as garments and electronics. Conversely, male workers are predominantly found in high-productivity, more capital intensive manufacturing. Women are thus crowded into a limited number of jobs, with few job openings for them in other parts of the economy. The resulting imbalance of the supply and demand for labour in ‘feminised’ industries puts downward pressure on their wages. It also has a spill over effect. Wages of both women and men working in firms with a large share of women in the workforce (that is, in ‘feminised’ industries) are penalised by wages 15% lower than received by workers in other sectors (ILO 2018). In many labour-intensive industries, where wages are the main cost of production, GVCs are present in developing countries. Foreign investors and buyers have been incentivised to enter because labour unit costs are low and likely to remain so, as a consequence of the relative over-supply of women workers into these segments of the labour market.

A further discriminatory feature is at play, due in large part to crowding. Women receive lower wages than men for the same work, across all sectors<sup>16</sup>. The gender wage gap, which is calculated by adjusting wages for workers’ experience and qualifications, is estimated worldwide at 19%<sup>17, 18</sup>. The gender gap is slowly reducing over time in developed, but not in developing countries. In contrast with some other gender variables, it is not, however, the case that the severity of the pay gap is neatly correlated with countries grouped by income level. In lower income countries, where the gender wage gap, at 13%, is below the world average, the proportion of waged and salaried jobs, for which this measure is calculated, is very low and dominated by public sector employment. In such cases, gender discrimination is bypassed to some extent by meritocratic recruitment and automatic pay ladders in the public sector.

Moving beyond women’s circumscribed position in the labour market, discriminatory forces also result in disadvantages for women’s access to material resources. To a greater or lesser extent across regions, women are treated as minors (children), i.e. not considered as independent adults. They are given inferior rights to ownership and control over resources (including their own bodies, in this connection affecting their ability, for example, to take paid work of their own volition). The situation is not static and in some respects is changing. The greatest change has been in terms of substantial improvements in recent years in women’s access to education; there is now gender parity at lower educational levels and actually larger numbers of women than men in tertiary education in many countries. However, women are underrepresented in science and technology subjects, especially engineering, which impedes their chances of finding work in capital intensive,

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<sup>14</sup> [https://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---ilo-ankara/documents/publication/wcms\\_707580.pdf](https://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---ilo-ankara/documents/publication/wcms_707580.pdf)

<sup>15</sup> Note however that productivity in services, especially in public services, is defined by wages paid, so there is a tautology here.

<sup>16</sup> In some countries it is not against the law to pay women less than men for the same work (WBL various), but the gender pay gap is universal.

<sup>17</sup> Employment data in this section are all from the ILO at <https://ilostat.ilo.org/2019/12/13/100-statistics-on-the-ilo-and-the-labour-market/>

<sup>18</sup> A single page publication shows the factors involved in calculating the gender wage gap for Turkey. See [https://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---ilo-ankara/documents/publication/wcms\\_707580.pdf](https://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---ilo-ankara/documents/publication/wcms_707580.pdf)

high skilled industries such as automotives. It is not always that case, in any event, that higher education leads to better employment outcomes for women; in regions with high levels of youth unemployment, as in North Africa and the Middle East, the most educated women are often the population sub-group with the least chance of finding paid employment.

In respect of access to material resources, discriminatory prohibitions against gender equality in resource access are often explicit. In many countries, women are not able, by law, to access capital (finance, land and other property, through purchase or inheritance) on the same terms as men. For example, in some countries in the Middle East and North Africa, women have no independent right to set up a bank account or take out a loan, own property or open a business on their own account (WBL Reports, various years). There is ample evidence that women own less land: only 10-20% of landholders are women – although there are large variations both within and between regions – and that women’s landholdings are smaller than men’s (FAO 2011). For example, in Latin America, the female share of landowners is 11% in Brazil and 27% in Paraguay (Doss et al 2014) and in Congo, Tanzania, Benin and Mozambique, the size of women’s holdings is about 1 hectare, compared to 2 hectares for men (FAO 2011). Women have lower bank and mobile money service account ownership than men (Demirgüç-Kunt et al 2018). Financial accounts and land ownership help women escape poverty and protect them from economic shocks. Although the digital divide among households appears to depend primarily on income and education, other variables, such as household size and type, age, gender, racial and linguistic backgrounds and location also play an important role. Digital access has spread rapidly but developing countries, especially the poorest, lag badly behind and there is a huge, and in Africa, growing, gap between the number of men and women online.<sup>19</sup> This deficit impedes women from being able to participate fully in e-commerce (domestic and international), either as employees or as business owners.

Constraints in asset ownership result in a smaller number, and the disadvantaged status, of women-owned businesses. Women-owned firms start smaller with lower levels of capitalisation and grow more slowly than men-owned firms. They are less likely to be employer-businesses and less likely to be involved in export activity (GEM 2019; Amin 2014; ITC 2015). In many developing countries, women’s enterprises tend to be clustered in the informal economy with limited access to capital, financing, business support services and markets, and they face lengthy, costly, and bureaucratically complex business registration procedures. These factors hinder their capacity to grow beyond the subsistence microenterprise level (World Bank, 2011, 2012; ILO, 2016). The effects are compounded by the fact that entrepreneurial skills and motivation are dependent on individuals’ prior experience of paid employment, which has historically been suppressed for women (Global Entrepreneurship Monitor 2019). In total, such barriers predispose towards lower rates of entrepreneurial activity among women in the great majority of countries. Women’s firms are less likely to have employees and women have lower expectations of growth for their businesses. The sectors in which many women’s businesses operate tend to have low barriers to entry and characterised by low productivity and low profit margins, while limited access to information and resources to support the development and marketing of their products constrains their competitiveness (Stevenson 2016).

## **2.3 Impact of trade expansion under trade liberalisation**

Academic researchers and civil society organisations have long been interested in understanding the impact of trade expansion on gender outcomes. It is not an easy subject to research. New trade policies are applied with the express intention of changing entire national structures of production.

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<sup>19</sup> ITU presentation to UNCTAD conference on e-commerce, 11 December 2018.

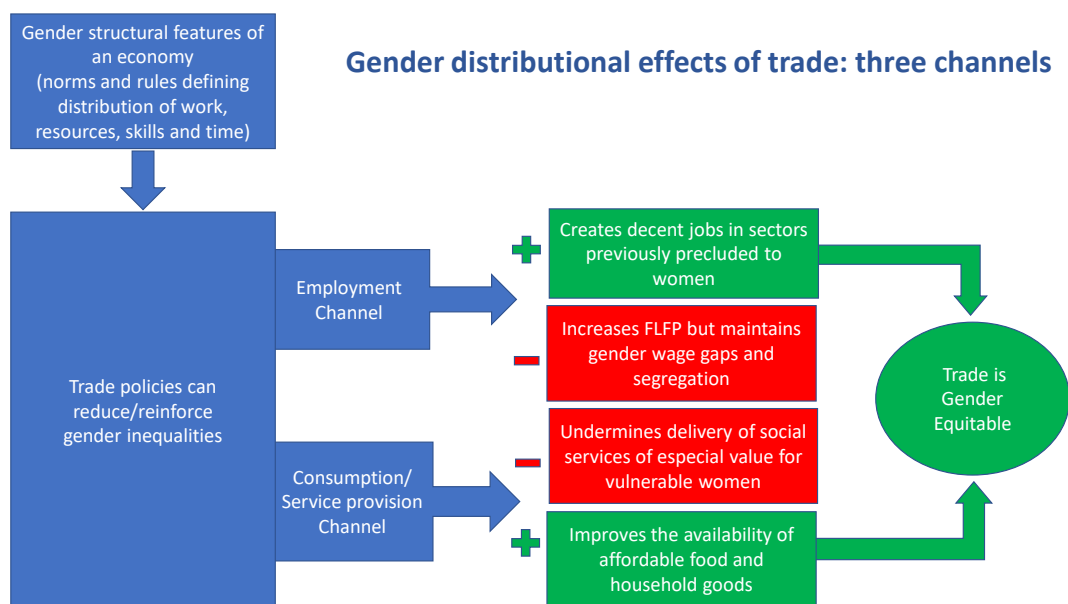
Resources are channelled towards lines of businesses that are competitive in international markets and away from lines of business whose products are more expensive than imports unless they are able to modify their production methods to become more efficient. Changes ripple through the whole economy.

The gender effects of trade expansion have been studied most carefully in relation to labour market and employment. Changes in the number of jobs, wages, and the quality of jobs for women have been the main consideration. Manufacturing industry has received most attention, along with certain parts of agriculture (horticulture) that have similarly been ‘industrialised’ to supply burgeoning consumer demand in foreign markets.

The impact (by country) varied by socio-economic structure. Women’s constrained position in the labour market played out, in the first instance, to their advantage in countries with few natural resources (oil or minerals): in Asia (Bangladesh, China, India, Vietnam), North and East Africa (Morocco, Tunisia, Egypt, Mauritius, Kenya and Uganda) and Latin America (Colombia), to name a few. These countries achieved competitive advantage in labour intensive manufacturing and horticulture. As sectors such as clothing, consumer electronics and horticultural production expanded, they recruited women workers in large numbers. This resulted in increases in women’s labour force participation rates and gave many women access to income on their own account for the first time. Where national incomes and average wages grew in consequence, successful export performance in manufacturing was sustained by evolution away from basic manufacturing towards higher-technology activities in manufacturing or services. Some countries, for example, Vietnam and China, grew and managed this secondary adaptation, whereas others, like Morocco, did not. Diversification into new sectors, such as automotives, did not offer women jobs in the same proportion. The early surge in the level of women’s wage employment opportunities in manufacturing from early stage trade liberalisation up to about 2010 did not result in sustained increases, and the quality of women’s jobs deteriorated (Seguino and Braunstein 2019).

The effect of trade on women’s formal employment is not the sole dimension to be considered. No person has the sole function, in the economy, of providing labour. Women are affected in all their multiple economic roles, as producers (workers or service providers or operators of businesses), consumers, and care givers. Any policy change or external shock to an economy, including trade policy-related changes, gives rise to changes in each channel. Changes in relative prices and the availability of goods and services affect consumption; changes in the availability of public or private provision of childcare, health services, utilities and goods (electricity, water, household appliances, processed foods) impact on the burden of unpaid care work. The net effect will vary from place to place depending on the relative strength of the impacts, and different population sub-groups will also be affected differently. Figure 6 illustrates this process.

**Figure 6: Gender Distributional Effects of Trade**



(FLFP = female labour force participation rate)

Change in one channel can amplify or offset changes in another. For lower income households, one positive change—for instance, the availability of cheaper, mass produced imports—can be offset to a greater or lesser extent by negative factors, such as the higher costs of labour-intensive support services provided in the market (health, educational tuition, childcare) as average wages increased. These may compound reductions in provision by the public sector if governments cannot find ways of offsetting reductions in tariff revenue as they implement trade agreements centred on bringing down tariff rates. The share of tariffs and customs duties in total government revenues is greater the lower a country's income level. As noted above, government revenue losses may have been compounded by corporate profit shifting. If government revenues are not compensated by tax revenue from other sources, governments' ability to support public social services will suffer.

The provision of public services, and the maintenance of the public sector workforce, depends on governments' ability to generate other sources of revenue. More generally, government's willingness to identify, and through policies and programmes to offset, the negative effects for those who do not enjoy gains from trade determines the distribution of the costs of trade. 'Active' policies include direct supports for workers (retraining and unemployment payments), businesses (credit) and consumers (income supports and price subsidies through the social security and welfare system). The failure of so many governments to confront and manage the process of globalisation in this way has caused widespread disillusionment with international trade, especially in developed countries, that has contributed to the election of populist governments in recent years.

## 2.4 Domestic policies to address gender inequalities

A broad range of policies is necessary to address the manifestations of women's economic disadvantage discussed above. Interrelations between factors result in very fluid outcomes, making it difficult to identify bottlenecks and priority areas for action, and suggest the need for a comprehensive approach (Kabeer 2016). Thus, trade policymakers' interventions need to build on synergies with domestic approaches and national gender equality advocates may be able to find extra leverage for some of domestic policies in the trade arena.



One formulation of domestic gender economic equality promotion policies lays out six types of intervention: financial incentives and support for women's businesses; technology and infrastructure; the creation of economic opportunity; capability building; advocacy and shaping attitudes; and laws, policies, and regulations (MGI 2015). But this fails to address the underlying discriminatory forces. In particular it underestimates the significance of unequal allocation of unpaid work and unequal access to good jobs for women. The United Nations SDGs targets are a better guide for comprehensive gender equality policies. For example, childcare can be provided through the public sector for low net cost, not least because expansion of the care sector can generate increases in future revenues from taxes on employee incomes.

A separate slate of policies is proposed by the ILO to address gender discrimination in employment, especially, but not only, in lower income countries. It entails changing legislation and resourcing better workplace inspections; addressing employer bias in recruitment and promotion to lessen gender segregation and reduce the gender wage gap; relaxation of working conditions to allow flexibility in working hours; provision of childcare services in the workplace; and improving social protection for workers by formalisation, fostering the transition from informal to formal jobs, and increasing the coverage of the state safety net for unemployment benefits (Bachetta et al 2019).

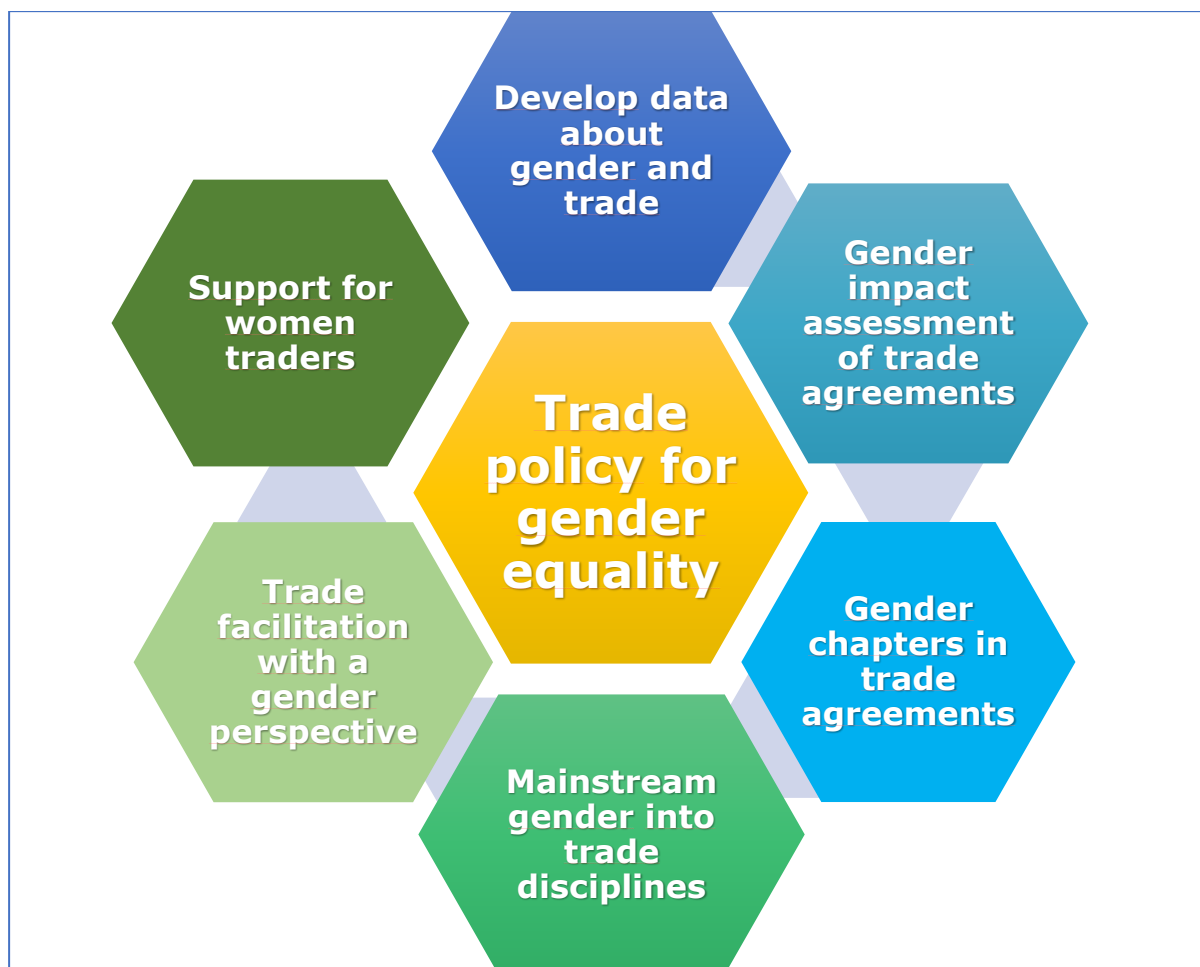
In addition, female enrolment in formal education, especially scientific and technical subjects, needs to increase, and women's access to vocational training and entrepreneurship programmes is crucial in supporting the transition of women into decent jobs. Governments also have considerable scope to improve the reach and effectiveness of public policies for family support and promoting a more even redistribution of family responsibilities across members of the household and within local communities (ILO 2018).

Policies to reduce the gender wage gap are particularly complicated. Interventions around a minimum wage, collective pay agreements, pay transparency, and better representation of women in senior positions, all have a part to play. The mix of policies has to be country specific, depending on the nature of the pay gap and where in the economic structure and among which groups of workers it is most severe.

## 2.5 Linking domestic and trade policies

Identifying and operationalising the interface between trade and domestic gender equality policies is a challenge. Trade policy needs to be informed by gender analysis and it can draw on the slate of measures used within countries to address the problem. However, trade rule making conventions are powerful, the entry points for wider socio-economic concerns are limited and in some trade rule-making forums they have in large part been ruled out altogether. States can reserve the right for national legislation and interventions to prevail over trade provisions that have damaging effects. But identifying gender effects, i.e. the systemic impact on half the population, is difficult. By comparison, assessing the prospective, or actual, negative impact of new trade arrangements on a specific industry or narrowly defined interest group is straightforward. This makes it even more important to define elements in trade agreements that can have gender equality promoting effects. Figure 7 illustrates how this can be done. It is the kind of scheme that is deployed for identifying the interests of any economic (sectoral, geographical) group, or factor of production (labour or capital) and defining how those interests could be furthered in negotiations.

**Figure 7: Trade Policy Tools for Gender Equality**



Source: Frohmann 2019

The objective is for each party to a prospective agreement to specify what the agreement needs to contain to further gender equality within its jurisdiction, whether for a discrete chapter (the blue hexagon) or for modifications to constituent trade disciplines (the mid-green hexagon). Trade facilitation measures and support for women traders, flanking the body of the agreement, are other ways in which gender concerns can be addressed. Much preparatory work needs to be done. Material for gender analysis is needed that enables the extent, dynamics and manifestations of gender discrimination in the economy to be shown and the potential effects of a new agreement to be assessed.

The following chapters describe the outcomes in different types of agreement so far and the process to be followed and the tools to be used in future negotiations. Chapters 3 and 4 examine the gender equality provisions and measures that have been used to date, and Chapter 5 discusses the mechanisms and means by which trade policy making can take account of gender concerns.



## 3 ACTIONS IN THE WTO

### 3.1 Tools and instruments

There is no WTO agreement on gender equality and no prospect of one. Nor, to date, are there any binding gender commitments in the body of the text of any of the existing agreements. Nevertheless, some avenues are being pursued within the organisation.

In principle, trade agreements can address gender equality objectives at different levels. In ascending order of importance, they are as follows:

- As an aspiration
- As a principle
- As a special chapter
- As non-binding provisions, without any enforcement mechanism attached
- As provisions with an enforcement mechanism attached

Trade agreements also contain appendices or side agreements that set out the principles that parties agree to follow in their adherence to the agreement. These include:

- Openness and *transparency* in the application of trade policy
- Cooperation in *implementation programmes* to support member countries' capacity to trade

Within the set of tools and instruments available, WTO members have to date introduced gender equality measures in the transparency and cooperation clauses. The possibility of pursuing gender equality goals into the texts of agreements under the first set of steps in other ways is limited by the parameters set for WTO discussions and negotiations for two main reasons.

First, WTO agreements are reached on a consensual basis. The larger the number of parties to negotiations, the harder it is to reach agreement on the varied policy priorities and frameworks of negotiating parties. It therefore becomes even more necessary to have focus in the agenda for talks. In respect of gender, policy goals and background conditions vary greatly among the prospective parties. It could be argued that widespread international understanding of the scale and nature of the challenge of gender inequality, and the policies that countries may follow in order to reduce gender inequality, was only achieved with the issuance of the SDGs in 2015. But even though countries' progress towards the SDGs is reviewed from time to time, neither the UN nor any other body – certainly not the WTO - has the authority to make governments convert their formal acknowledgement of SDG5 on gender equality into a matter of priority or as a guide in the design and allocation of resources.

The second factor is that substantive consideration of a major aspect of gender inequality in the economic sphere is blocked at the WTO for procedural reasons. Women's economic inequality rests on discriminatory constraints on their access to resources, notably income and ownership of property. Labour is the predominant source of income. Within the institutional landscape of global governance, however, the treatment of labour issues – employment and wages - has rested with the ILO ever since 1919. No labour provisions were included in the WTO agreements at its creation in 1995 and the topic has been excluded from the WTO agenda ever since. There has not been any internal interest in reconsidering this exclusion, partly because political tensions between higher and lower income countries are rife around labour issues. Poorer countries are always sensitive to the possibility that other countries may construe the existence of low prevailing wage rates in lower income countries as a basis for imposing trade barriers against their exports. Whether

discussion of gender inequality could come to be seen as distinct from the topic of labour is a moot point. The exclusion of labour issues leaves the WTO to date able only to pursue gender equality measures that relate to economic opportunities for women as trade actors in their own right.

The WTO has nevertheless been active at two levels.

First, the WTO rules provide for transparency and review by members of the operation of each party's trade policy. The principal means for this is the Trade Policy Review (TPR) Mechanism. This is an exercise whereby the WTO Secretariat produces an independent report on the trade policies and practices of the Member under review. The Member also prepares its own report. The whole WTO membership then discusses both reports. All the documents concerned are then published. The TPR process is increasingly being used to gather information on member countries' trade-related gender policies.

Gender policies related to trade have been reported by 111 governments as part of national TPR reports. Over the period 2014-2018 the WTO carried out TPRs in 111 countries. Of those, 77 reported some trade-related gender interventions (Boghossian 2019a). The main gender policy measures reported in TPRs were as follows:

- Financial and non-financial incentives to the private sector and women-owned or led<sup>20</sup> Micro, Small and Medium Enterprises (MSMEs): 30% of members have focused their trade policies in support of women-owned/led companies.
- Agriculture and fishery: 15.5% of members under review have included policies in relations with agriculture and fisheries in support of women's empowerment.
- Government procurement: 9% of members under review have included policies in relations with government procurement in support of women's empowerment.

Note that these reported interventions do not apply to WTO agreements as such. They refer to countries' 'beyond the border' interventions at the national level relating to trade.

The second main way in which WTO members have collectively undertaken action on gender policy is through programmes of cooperation in support of trade capacity building. Two initiatives have been put in place.

First, in 1964 in conjunction with the United Nations – through UNCTAD (the UN Conference on Trade and Development) - the precursor organisation to the WTO (i.e. the GATT) set up a new agency, International Trade Centre (ITC). The ITC is dedicated to supporting the “internationalization of small and medium-sized enterprises (SMEs)”. It works in developing and transition economies to support SMEs to become more competitive and connect to international markets for trade and investment, raising incomes and creating job opportunities. It has a special interest in supporting women's, young people's and poor communities' enterprises to engage in international trade. To this end, the ITC has always had a substantial programme of work dedicated to supporting women entrepreneurs' entry into international markets. Currently it expresses its Mission as fostering inclusive and sustainable economic development, and contributing towards achieving the United Nations SDGs.

Second, the WTO has had an active role in the implementation of Trade Facilitation Agreement through its 'Aid for Trade' initiative<sup>21</sup>. To support the least developed countries in this connection,

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<sup>20</sup> The term women-owned or women-led enterprises is used as the indicator for gender disaggregation in the only international data collection instrument in this field, the World Bank's Enterprise Surveys.

<sup>21</sup> The WTO and OECD jointly monitor and evaluate expenditures under the Aid for Trade initiative.

donor efforts are channelled through a fund, now known as the Enhanced Integrated Framework<sup>22</sup>. The EIF is a partnership between 51 countries (of which 47 are least developed countries), 24 donors and eight partner agencies, with the WTO preeminent among them (and housing the organisation's secretariat). The purpose of the EIF is to provide resources (funding and technical assistance) to developing countries, at their request, to improve their capability – infrastructural, procedural, and technical – to increase their participation in international trade. The EIF has a facility called Empower Women, Power Trade which delivers funds and technical assistance to women's enterprises.

A review of all Aid for Trade programming found that donors and partner countries have been devoting increasing attention to the gender dimension. Women's economic empowerment is high on the agenda. As with ITC and other WTO sponsored activities, the main target for gender-related Aid for Trade interventions is women entrepreneurs (Der Boghossian 2019b).

## 3.2 The Buenos Aires Declaration 2017

Another initiative has taken shape through informal discussions on gender issues among a number of WTO members at the WTO, but not under the official aegis of the organisation. Informal discussions are always underway at the WTO in one guise or another. Usually these are preliminary to the production of negotiating texts, with a view to eventual passage of a new WTO agreement. This is not the case in relation to discussions on gender (or of SMEs, also underway); these talks are aimed at improving understanding of how trade rules effect particular groups of economic actors, whether individual persons or enterprises.

At the 11<sup>th</sup> Ministerial Conference of the WTO, held in Argentina in December 2017, 118 WTO member countries agreed to a Joint Declaration on Trade and Women's Economic Empowerment. More countries have signed up since that time. The signatories agreed to seek to remove barriers to, and foster, women's economic empowerment. Given the exclusion of labour issues from the WTO agenda, the substantive measures in the Declaration are focussed on opportunities for women entrepreneurs. The contents of the Declaration are set out in Figure 8.

**Figure 8: Summary Contents of the Buenos Aires Declaration, December 2017**

Objective	Collaborate on making our trade and development policies more gender-responsive
Workplan	Promotion of female entrepreneurship and trade
Analysis	Identification of barriers that limit women's participation in trade
Measures	<ul style="list-style-type: none"> <li>▫ Enhancement of women entrepreneurs' participation in public procurement markets;</li> <li>▫ Promotion of financial inclusion as well as the access to trade financing and financial assistance for women traders;</li> <li>▫ Inclusion of women-led businesses, in particular MSMEs, in value chains;</li> <li>▫ Provide equal access and opportunities for women entrepreneurs through trade facilitation</li> </ul>
Data	Inventory of information sources, their complementarity and the identification of data gaps

In one sense, the Declaration seeks to strengthen ongoing efforts in the implementation of the Aid for Trade Agreement. But it has a broader political intent. First, the countries involved are inviting accountability for their interventions. Second, it seeks to promote a systematic and comprehensive approach for supporting women entrepreneurs in trade. And, third, it signals an intention to

<sup>22</sup> Aid for Trade assistance programmes and projects for other developing, middle income countries continue to be delivered through other channels such as the World Bank.

entrench the issue inside the WTO Agenda, both to ensure continued allocation of resources towards women's economic empowerment and to broaden the opportunities for raising gender inequality issues in other discussions. The Agenda for the postponed 12<sup>th</sup> Ministerial Conference included a proposition to adopt the Declaration into the formal work programme of the WTO.

The Declaration may have another important effect. It could embolden countries to raise gender equality objectives in discussion of three 'new issues' of investment facilitation, e-commerce and MSMEs. Discussions are underway at different stages under WTO auspices. Discussions have been held for several years on investment facilitation and e-commerce, in preparation for the drafting of negotiating texts and with a view to eventual enactment of WTO agreements on those topics. Discussions of the position of Micro, Small and Medium enterprises (MSMEs) in trade are at the preliminary stage.

The investment facilitation discussions have up to now excluded any mention of gender inequality. However, the most recent draft text of the WTO Investment Facilitation for Development discussion (April 2020) would allow for gender provisions (if member countries propose and agree to them). Issues of gender inequality and measures in support of women's economic empowerment could easily be seen as relevant and introduced to discussion of e-commerce and, later on, MSMEs. There has been a great deal of gender analysis in the literature on these topics and operational approaches are already well tried and tested in the cooperation efforts in the ITC and EIF (and in national programmes).

## **4 ACTIONS IN OTHER TRADE AGREEMENTS**

### **4.1 Tools and instruments**

Preferential agreements between two or more countries, known as Regional Trade Agreements (RTAs), are drawn up by groups of countries which are either geographically close or like-minded in their developmental objectives, or both. RTAs are in principle notified to the WTO and adopt WTO rules, but they do not have to adopt restrictions on their agenda, such as the exclusion of labour issues. Innovations are much easier to include in preferential trade agreements than in the WTO. In relation to gender equality, parties to RTAs can explore all options along the path from 'aspiration' to mainstreaming substantive commitments, based on WTO instruments. Progress in this respect is real, but tentative.

A small but increasing number of RTAs have mainstreamed gender provisions, some going beyond statements of principle or cooperation activities to formulating specific measures to reduce gender inequalities in each of the main topic areas of RTAs, either as 'positive commitments' (affirmative actions to redress past discrimination) or 'negative prescriptions' (making use of exemptions).

Many trade agreements do now include labour clauses and reference the principle of the elimination of discrimination. Countries that have gender provisions in this connection include the EU (with the Republic of Korea and Georgia) and Canada (in agreements with Peru, Colombia and Chile). For example, the EU–Republic of Korea Free Trade Agreement includes a provision for collaboration on the ILO Discrimination (Employment and Occupation) Convention, (No. 111), whose main purpose is 'identifying obstacles, lessons learned and best practices to promote compliance with the Convention and to develop policy recommendations'. As of 2017, there were gender references within 27% of all side agreements on labour, mostly from the Canadian government (Engen 2017). These mechanisms tend to have little enforcement power. Under the United States–Central America–Dominican Republic Trade Agreement, however, a labour

submission was filed by American and Honduran trade unions about the working conditions of women in garment factories in export-processing zones. This led to a labour rights monitoring and action plan (Engen 2017, ILO 2017).

## 4.2 Gender provisions in FTAs

The progressive pathway for gender equality interventions in trade policy from aspiration to actionable provisions is being pursued in RTAs, although so far the uptake is limited.

The number of RTAs in existence has been rising steadily since the early 1990s. In 1991 there were approximately 100. By 2018, 557 RTAs were in place. Of those, 243 included gender-related provisions including reference to broad social inequalities which encompass, but do not single out, gender concerns; 75 RTAs – fewer than 14% - included explicit gender provisions. Among those 75, the majority are north-south agreements, but there are some long-standing north-north agreements (including the EU and European Economic Area). Several south-south agreements also include gender provisions. Some of the south-south agreements are of long standing – for example, in Latin America (Mercosur), and in West and Central Eastern Africa (ECOWAS and COMESA respectively) (Monteiro 2018). An RTA between the EU and Vietnam, which includes implicit gender provisions, has not yet come into force.

The gender content of references in the 75 RTAs with gender-related provisions is described in Figure 9 below.

**Figure 9: Types of Gender Provisions in RTAs**

Cooperation	62
Domestic gender-related policies	35
Principles	15
Institutional arrangements	8
International agreements and instruments	8
Exemptions/ reservation measures	7
Transparency; consultations; dispute settlement; corporate social responsibility	4 (each item)
Relation with other chapters/agreements	3
Definitions	2

Source: Monteiro<sup>23</sup> see also Monteiro 2018.

This echoes the balance of activities within the WTO.

Most of the effort in RTAs is peripheral to the texts of agreements themselves, consisting in cooperation work - i.e. implementation and programmatic interventions to promote gender equality and government reporting on their domestic trade-related gender policies.

<sup>23</sup> [https://www.wto.org/english/tratop\\_e/womenandtrade\\_e/sessiopn\\_3\\_b\\_jose\\_genderinptas\\_jam\\_rev4.pdf](https://www.wto.org/english/tratop_e/womenandtrade_e/sessiopn_3_b_jose_genderinptas_jam_rev4.pdf)

Innovations lie in use of specific measures included within the agreements themselves. The references to gender within institutional measures, consultations and dispute resolution fall into this category. This also points to some closer scrutiny of parties' adherence to the terms of the agreements where those relate to gender.

A more recent RTA, one that includes more countries than any other, is the African Continental Free Trade Agreement, which came into force in May 2019. The AfCFTA does not incorporate a separate chapter on trade and gender but it does advance the principle of gender equality. The preamble contains explicit reference to the importance of gender equality for the development of international trade and economic cooperation, while Article 3 (e) emphasises the promotion of gender equality as one of the general objectives of AfCFTA. There may be scope for integrating gender concerns within individual countries as they elaborate their national strategies for implementation of the agreement (UNECA 2020).

The 'self-selection' of trading partners is one reason why gender-related trade policymaking has been much more proactive in FTAs than within the WTO (Fitzgerald 2019). If national discussions on social inclusion and gender equality objectives have been similar in the countries involved because of some combination of similar national gender equality policies, similar prevalence of women in national politics, or because the social institutional landscape is similar and expressed in similar socio-legal frameworks, that facilitates common ground in identifying the possible scope of gender provisions. Another reason is that although most RTAs adopt the structure of WTO trade rules in their scope and character, and draw on WTO agreements on individual topics as elements of their own agreements, they are able to set aside some of the limiting parameters on rule setting in the WTO. Most importantly, for gender and trade, is their ability to address labour matters.

The region with the highest incidence of gender provisions in trade agreements is Latin America<sup>24</sup>. Chile is the single most active proponent (Monteiro 2018). It raised other social issues very early, first in Chile's trade agreements with Canada (1997), with side agreements on labour and environment cooperation, and with the US (2004), with labour and environment chapters. It has introduced gender measures into RTA agreements ever since 2016, as shown in Figure 10 below.

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<sup>24</sup> In Africa, the EAC and SADC agreements also mention the importance of member states cooperating in their gender equality policies, including for trade promotion (UNCTAD 2018).



Figure 10: Agreements completed or under negotiation by Chile containing gender provisions

Countries	Agreement	Year	Provisions
<b>Chile-Uruguay</b>	Free Trade Agreement	2016	Chapter 14: Trade and Gender
<b>Canada-Chile</b>	Modernization of Free Trade Agreement	2016-2017	Gender provisions in Appendix II, chapter N bis
<b>Argentina-Chile</b>	Trade Liberalization Agreement	2017	Additional Protocol of ACE 35 between Chile and Mercosur
<b>Chile-European Union</b>	Modernization of Strategic Partnership Agreement	2017-	Ongoing negotiations
<b>Pacific Alliance with Associates</b>	Trade Agreement	2017-	Ongoing negotiations
<b>Brazil-Chile</b>	Free Trade Agreement	2018	Additional Protocol to ACE 35 between Chile and Mercosur
<b>Chile-Ecuador</b>	Free Trade Agreement	2019-	Ongoing negotiations

The types of gender provisions included in the RTAs with Uruguay and Canada are set out in Figure 11.

Figure 11: Innovative features of gender chapters in Regional Trade Agreements

- Enhance relevance of mainstreaming a gender focus into the agreement to promote inclusive economic growth;
- Gender equality objectives and shared commitments, advocacy and cooperation;
- Importance of equal rights, treatment and opportunities between men and women, economic empowerment of women;
- Emphasis on cooperation activities to achieve gender equality objectives;
- Establish a Trade and Gender Committee, as monitoring mechanism;
- Issues arising from these arrangements will not be addressed through the dispute settlement mechanism of the respective treaties;
- Clear gender perspective and language that has never before been used in a trade agreement.

Source: Frohmann 2017

European Union RTAs still tend towards implicit, rather than explicit gender provisions, with the exception of the gender chapter it is negotiating with Chile. Although explicit gender provisions are preferable, there can be entry points for promoting gender equality objectives in enforcement of Agreements with apparently gender-neutral social provisions. For example, a recent RTA between the EU and Vietnam provides an obvious gender opportunity in a binding Trade and Sustainable Development Chapter. The chapter sets specific provisions with the two-fold aim of (1) promoting mutual supportiveness between trade and investment, labour, and environmental policies, and (2) ensuring that increased trade and investment do not come at the expense of workers and environmental protection, with obligations from both the EU and Vietnam regarding a core set of labour and environmental issues (EU 2019). These invoke the ILO standards for decent work, which include non-discrimination by gender as a central principle.

Many options exist for mainstreaming gender provisions into trade agreements. For each WTO topic area (agriculture, market access, standards and technical regulations, subsidies, investment, government procurement and so on) the specific gender equality objective can be specified and negotiating propositions drawn up across three dimensions, as follows:

- positive commitments to level opportunities between women and men, or provide temporary affirmative action provisions to benefit women
- negative prescriptions that prohibit gender discrimination
- non-conforming measures (reservations) to protect domestic gender equality legislation

These are ‘hard’ provisions. A layer of ‘soft’ provisions can also be specified, relating to gender equality actions to be taken in flanking activities, for cooperation between the parties and in capacity building for the implementation of the agreement<sup>25</sup>.

The slate of possible actions shows the multi-faceted nature of policies and programmes needed to address the wide range of gender-related barriers that limit or distort trade. The complexity and interrelation between these factors necessitates a mainstreaming approach, which raises awareness in every domain of the significance of the gender dimension. Concrete interventions are needed to redress the situation in all aspects of trade policy (Alai and Amaral 2019). Their inclusion also provides a means to ensure cooperation with, and engagement of, domestic agencies promoting gender equality. As in domestic gender equality policies, a comprehensive set of actions is required in trade policy making: if discriminatory gender forces remain in place in any single sphere of action, they can undermine improvements elsewhere. Binding obstacles or pinch points can re-emerge in different forms over time (Kabeer 2016). Gender-specific provisions are best raised in the body of the text of an agreement because only in this way can the full powers of leverage and scrutiny be laid on the parties, as part of the general oversight function, and the full range of modalities be employed in an integrated manner across all aspects of the agreement.

## 5 GENDER RESPONSIVE TRADE POLICY MAKING

### 5.1 Touchstone: is policy reflective and responsive?

Work on gender planning has refined a hierarchy of approaches for assessing the level of ambition with which policies respond to gender equality objectives (Molyneux 1985, Moser 1993). A similar simple scheme can be applied to the quality of trade policymaking:

- Gender blind: policies or programmes that do not acknowledge or attempt to address gender and social inequalities
- Equitable (responsive): policies or programmes that attempt to address forms of gender discrimination in the economic sphere.
- Transformative (strategic): Projects that seek to ‘transform’ economic structures by promoting shared control of resources and decision-making across the genders and socially excluded groups<sup>26</sup>.

Trade policymakers have to ensure that, in preparing for trade negotiations, they identify national priorities (within and between sectors and topics), and implement and monitor the eventual agreement with regard to those priorities. The argument for including gender equality as a priority is that it is a primary dimension of social inequality, and, in narrowly economic terms, an important instrument for development, poverty alleviation and national competitiveness in international markets.

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<sup>25</sup> These issues are explored in detail, with concrete examples, in a forthcoming project Technical Paper.

<sup>26</sup> This is the definition of ‘transformative’ used by the Population Council.



The dimensions and significance of economic inequalities by gender need first to be understood at the national level. Gender Based Analysis (GBA) is a commonly accepted approach<sup>27</sup>. It is an analytical process used to assess how diverse groups of women and men may experience policies, programs and initiatives.

The exercise is particularly complex in relation to gender. The analysis has to be done with care, within unusually severe limits of data, and the process needs not to lose touch with the situation on the ground. For trade policy to be reflective of and responsive to trade policymaking, representatives of women's interests need to be involved in the process at all stages (EIGE 2019). The initial negotiating position, the agreed text, and arrangements for monitoring all to be informed by and reflective of gender concerns. Representatives of different groups – from all parts of society, governmental, non-governmental civil society organisations and the private sector - need to be consulted so that their knowledge can contribute to the policymaking process.

National policymaking also needs to be coherent - i.e. trade policy has to be consistent with and draw from domestic gender equality policies. Last but not least, governments need to be responsive and be ready to listen and learn about the impact of an agreement, as well as to adopt ancillary support measures as necessary to address problems that may arise. Overall, a 'smart' approach is needed (Strategic, Multifunctional, Accountable, Responsive and Transparent) (Williams 2017), as summarised in Figure 12.

Figure 12: SMART Trade Interventions

<b>Is your trade intervention Strategic and Multifunctional?</b>
<i>Strategic: Well planned and linked to existing development goals</i>
<i>Multifunctional: Inter-linked with other relevant policy areas</i>
What changes are desired for whom?
How do they deal with broader development, social and gender goals?
<b>Is your trade intervention Accountable, Responsive and Transparent?</b>
<i>Accountable: Involve the participation of all stakeholders</i>
<i>Responsive to gender equality goals</i>
<i>Transparent in terms of initiatives and expenditures</i>
Who is going to be affected?
What opportunities have those who will be affected had to be informed of possible changes and contribute their views to the process?
What issues may shape how these stakeholders are participating?
Who is absent and why?
What needs to change so that they are at the table?

Source: Williams 2017

## 5.2 Policy design

Trade policymaking and negotiations processes need to be based on evidence, and, in the case of new agreements, generate hypotheses about how proposed changes are likely to impact different

<sup>27</sup> This is the definition used by the Government of Canada. A subsequent variant is also used entitled GBA+, where the '+' is used to signify the inclusion of groups who refute the binary division by gender.

people and groups. Gathering data and carrying out qualitative research and stakeholder consultations all provide important information. The purpose of information gathering of this kind is to identify possible changes and to change pathways; indicate possible policies and programmes to achieve these desired changes; and help monitor and evaluate the impacts of interventions or rule changes. The information gathering processes are also a foundation for adapting policies and programmes after the implementation of a trade agreement.

Many tools and technical methods are available for the design of trade policies.

The main technique is impact assessment, carried out in advance to inform the design of policy changes and the delineation of negotiating priorities. The original tool was a regulatory impact assessment (RIA), which was used to assess proposed changes to business and other regulations. The same approach was developed into broader exercises covering social impacts in different dimensions (social, economic, environmental, human rights, labour). These are known as sustainability impact assessments (SIAs). Gender impact assessments (GIAs) are not well developed (part of this set (Bandelet 2016)).

SIAs are now routinely used in EU trade policy design and they have informed a large number of trade agreements<sup>28</sup>.

In principle, the SIAs employ gender analysis, but in practice the gender component is usually minimal and the analysis is not carried out in a systematic way (Fontana 2016, Viilup 2015). Despite long-standing interest (Williams 2003) gender impact assessments have not been developed sufficiently to provide a free-standing tool (Fontana 2016, Williams 2003), although some SIAs devote considerable space to women's issues. Examples are those for the EU-Central America Association Agreement (2009) and the EU-Armenia (2013), EU-Egypt, EU-Jordan (2014), EU-Morocco and EU-Tunisia DCFTAs (2013) (Viilup 2015). The SIA for the EU-Egypt negotiations, for instance, highlighted the interconnected nature of the economic, social and environmental impacts that the agreement might have. The SIA was to be used to develop a Trade and Development chapter, “in pursuit of internationally accepted levels of social standards and environmental protection”, and implementation of the provisions would be monitored. The commitment comes with a qualification pointing to the need for policy coherence, noting that the new trade agreement “could be successfully implemented and the economic benefits described in the SIA study achieved only if carried out as part of a comprehensive development strategy of Egypt.”<sup>29</sup> Despite some discussion of gender issues in the assessment, it was not recommended that there should be any mention in the Chapter of gender equality objectives specifically.

In addition to impact assessments, high-level modelling or social accounting matrix-based exercises may be used to inform impact assessments, data permitting. These are quantitative exercises used for making predictions about the further repercussions of any policy change. The first round impacts on identified actors and sectors will ripple through the many functional interconnections in both demand and supply throughout an economy and often lead to unexpected second round outcomes. While some examples exist (Fontana 2016), they tend to be exploratory and academic in nature and their feasibility and usefulness is limited for gender impact assessments. Data

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<sup>28</sup> See [https://ec.europa.eu/trade/policy/policy-making/analysis/policy-evaluation/sustainability-impact-assessments/index\\_en.htm](https://ec.europa.eu/trade/policy/policy-making/analysis/policy-evaluation/sustainability-impact-assessments/index_en.htm)

<sup>29</sup> [https://trade.ec.europa.eu/doclib/docs/2016/december/tradoc\\_155189.pdf](https://trade.ec.europa.eu/doclib/docs/2016/december/tradoc_155189.pdf)

availability is much more limited than for most areas of economic policymaking. Comprehensive gender analysis goes beyond the scope of standard economic accounting<sup>30</sup>.

Another class of policy design tools is deployed after a policy change is made. These are ex-post assessments of various kinds. As with ex ante impact assessments, qualitative as well as quantitative techniques can be used. They are essential to responsive policymaking. Ex post assessments are done primarily to check whether the initial assessment was on the right lines. For gender equality objectives, therefore, they would provide a means of testing the initial prediction. They bring together information from reports from groups expected to be affected, as well as statistical data as available.

Impact evaluations are a more rigorous version of this approach. Impact evaluation is done in order to examine the experience of targeted programmes. The purpose is to learn from the experience and adapt the policy accordingly and so contribute to responsive policymaking. The main difficulty with evaluation as a technique lies with attribution - i.e., whether an observed change can in fact be said to be due to the policy change in question. Another challenge is to ensure that evaluations are used as for learning, rather than as a management tool. For new trade agreements it is important, where possible, to integrate the basis for evaluation into the project design (Cadot et al 2011).

All these exercises can be done with a greater or lesser degree of rigour and with ingenuity in the mix of analytical methods used. The highest degree of detail is not necessary and may indeed be a distraction. Other, unanticipated changes outside the assumptions used are very likely to occur in the economy in real-world conditions, thereby rendering precise estimations irrelevant. This is helpful in regard to gender impact assessments, but expertise is needed to situate and justify the type of analysis that can be done.

The design and assessment of gender-specific provisions in RTAs is in step with the character of trade interventions more generally. These are moving away from tariff reductions, and becoming targeted on trade facilitation and trade competitiveness. Trade facilitation involves, for example, customs reforms and infrastructure improvements, and the trade competitiveness agenda consists of proactive industrial policies involving productive capacity building, Export Processing Zones, or export promotion. In many of these areas, gender-specific policies and programmes have already been tried and evidence collected of their value. For example, the cost effectiveness of export promotion agencies in general is well established (Cadot et al 2011) and programmes run by such agencies for promoting women-owned businesses in particular have a good track record (Stevenson 2018).

## 5.3 Implementation measures

Policy coherence is the main concern for the implementation of trade rules and agreements in relation to gender equality. Trade policy has to be consistent with the national policy framework in this respect. They can draw inspiration from national policies for targeted implementation projects and programmes. With respect to gender equality, as noted the UN SDGs provide an exhaustive list of targets which are used in many countries to shape policy and programme responses and to which governments may be held accountable by social actors (OECD 2016). By extension, implementation of trade policies requires engagement with and cooperation among stakeholders

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<sup>30</sup> Data and information needs for estimations and evidence gathering for impact assessments, modelling and the design of gender equality policies are the subject of another Technical Study of this project and therefore not treated here in any detail.

in government and official bodies, civil society organisations, labour unions and private sector associations.

Figure 13 lays out the topic areas in which gender equality policies and programmes are usually in place. It illustrates the range of domestic policy interventions with which trade policymakers can engage.

**Figure 13: Policy areas for gender equality**

<b>Roles</b>	<b>Policy areas</b>	<b>Programme approaches</b>
<b>Women as paid workers</b>	Employment	<ul style="list-style-type: none"> <li>Access to the labour market via affordable public and private childcare provision</li> <li>Gender-sensitive public transport;</li> <li>Policing and social service supports against domestic violence;</li> <li>Horizontal segregation: non-discrimination in promotion, return to work after maternity leave;</li> <li>Vertical gender segregation: removal of gender prohibitions by sector, hours of work or other;</li> <li>Non-discrimination in hiring especially in new industries.</li> </ul>
	Wages and Wage Gap	<ul style="list-style-type: none"> <li>Non-discrimination legislation; minimum wages;</li> <li>Improved labour inspections; employer transparency.</li> </ul>
	Quality of employment, working conditions	<ul style="list-style-type: none"> <li>Access to training and return to work opportunities;</li> <li>Extending security and social protection coverage;</li> <li>Flexibility and ceilings on working hours.</li> </ul>
<b>Women as producers and entrepreneurs</b>	Access to productive and financial resources	<ul style="list-style-type: none"> <li>Access to capital, inputs, land, technology;</li> <li>Capability to produce to international standards;</li> <li>Building competitiveness against foreign companies.</li> </ul>
	Internationalization opportunities and response to import competition	<ul style="list-style-type: none"> <li>Access to markets and information;</li> <li>Negotiation capacity and strategies for prevention of gender discrimination.</li> </ul>
<b>Women as consumers and users of public services</b>	Purchase of goods and services	<ul style="list-style-type: none"> <li>Availability and affordability of consumer goods of special importance for women and households (food, medicines, energy, school uniforms).</li> </ul>
	Provision of essential public services for women	<ul style="list-style-type: none"> <li>Availability, quality and cost of health, care, education services;</li> <li>Impacts of privatization or service cuts on women's work overload</li> </ul>
<b>Women as tax payers</b>	Implicit gender biases of tax systems	<ul style="list-style-type: none"> <li>Gender impacts of changes in taxes (indirect taxes);</li> <li>Shifting tax incidence to raise revenue;</li> <li>Attracting investment and incentivizing innovation and entrepreneurship.</li> </ul>

Roles	Policy areas	Programme approaches
<b>Women as caregivers</b>	Provision of public and private care services  Changes in the use of time	<ul style="list-style-type: none"> <li>▫ Removing overload in women's unpaid work burden as a dimension of anti-poverty programmes</li> <li>▫ Co-responsibility for care work within households (and between boys and girls); extension of school day, and flexibility in school schedules;</li> <li>▫ Quality and access of services</li> </ul>

Source: based on Frohmann 2019

## 5.4 Monitoring and accountability

Monitoring and accountability entail tracking the changes observed in the situation of economic and social actors after a trade agreement is put into effect. Monitoring schemes share many elements with GBA and ex-ante trade-related impact assessments but they need to be supplemented by a consultative process.

Ex ante impact assessments will have identified the actors expected to be affected and their situation should be monitored as time goes by. This can be done through standing data collection measures, e.g. through relevant periodic national statistical surveys, and by data gathered directly from the targeted actors in special surveys or supplied by representative bodies of those groups. The same bodies can also participate in a qualitative, evidence-gathering process of ongoing consultations<sup>31</sup>.

Not only can pre-identified stakeholders be involved, but also gender advocacy groups and focus groups can be assembled for the purpose. It is important that the consultative net is cast wide, because it is the main way in which policymakers can build trust with the public and be alerted to unexpected effects. Long-term relationship building is key as well as the need to diversify the stakeholders being consulted. Building long-term relationships with socially marginalised stakeholders, such as informal cross border traders, is important. It takes time but is important in ensuring trade negotiations, processes and outcomes are gender- and socially-responsive.

The obligation of policymakers is to listen to, and learn from, consultations and to adapt their policies and programme interventions accordingly. They may be able to enhance the impact of positive effects as they emerge, and also to put in place – or alert the responsible bodies of the need to put in place - counteracting measures to offset negative effects.

In conclusion, the challenge for trade policy in relation to gender equality is to ensure that trade rules do advance equality and are in harmony with domestic objectives and policy frameworks, especially where these are oriented to the UN SDGs. Gender provisions in trade agreements have to be moved from peripheral to central - i.e. from principles to commitments. Arrangements for monitoring and data collection can be strengthened with, for example, more demanding standards set for reporting on gender-related trade policies in the WTO Trade Policy Review process. In new trade agreements, commitments with enforcement mechanisms behind them will have greatest leverage. These are tantamount to conditionalities, such that, in the last resort, breach of

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<sup>31</sup> The data needs and methodological requirements for reliable monitoring of the impact of trade agreements are addressed in another Technical Paper of this project.

commitments will lead to suspension in whole or in part of the agreement and the general benefit it brings.

The challenge for advocates of greater gender equality in trade policy is to build on the options presented in this Primer, carrying out GBAs and GIAs on their own account, working with trade ministries to increase their level of ambition for gender equality measures in trade policy, identifying the best type of feasible, gender-related trade provisions and proposing precise measures to go into agreements. They can also support collaboration between trade and women's ministries and participate in consultations for the design and monitoring of trade policy.

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## **7 ANNEX**

## Key terms in Trade-Speak

**Agriculture:** The Agreement on Agriculture (AoA—1 January 1995) established “a fair and market-oriented agricultural trading system” aimed at correcting distortions in agricultural trade brought about by subsidies and high trade barriers, and improving livelihoods of farmers.

**Countervailing measures:** penalties (tariffs etc) that a country can, under certain conditions, apply under WTO rules to imports from a particular country to offset harm caused to domestic producers by improper subsidies for goods exported by that country.

**Cross-border trade:** Trade between adjacent countries, usually referring to ground transportation (i.e. goods transported by road or rail) as opposed to by sea or by air.

**Cross-border informal trade:** Trade by small-scale unregistered traders, whether individuals or firms, usually for sale of goods (food, household items, clothing and more) in markets close to an international border, but sometimes in more distant provinces beyond.

**Customs posts and procedures:** Inspection points at national frontiers for the health, safety and rules of origin of consignments, and of persons (traders) for immigration status, as well as the application of appropriate tariffs and administrative fees for products/people.

**Disciplines:** The WTO uses “disciplines” to refer to any rules governing measures contained within any trade-related areas within its remit.

**E-Commerce:** Defined as the “production, distribution, marketing, sale or delivery of goods and services by electronic means”, the Declaration on Global Electronic Commerce (1998) established the Work Programme on Electronic Commerce aimed at periodically examining the treatment of e-commerce under the GATT 1994 legal framework. No draft text for a possible agreement as yet exists.

**Enhanced Integrated Framework (EIF):** A large fund that supports implementation of the Trade Facilitation Agreement (TFA) by least developed countries. Funding comes from donor countries as part of their aid (international development or overseas development assistance) budgets. ‘Aid For Trade’ (AfT) programmes, also funded by donors, support similar activities in middle income developing countries.

**Equivalence:** This refers to modes of regulatory cooperation—for instance, a state recognising and abiding by the standards and regulatory regimes of another, even when different from their own.

**GATT:** The General Agreement on Tariffs and Trade (1947) was a post-war free trade agreement that aimed to promote international trade by removing tariffs for the movement of goods between countries. It was folded into one of the three pillars of the WTO at its establishment in 1995 alongside a set of other global trade agreements, covering a wide range of other products and disciplines, which had been negotiated over the preceding years.

**Investment:** The Agreement on Trade Related Investment Measures (TRIMS), which entered into force in January 1995, is the core WTO measure relating to investment. It prohibits any measure applied by a member that discriminates against, or restricts significant amounts of, any given legal foreign flow of money (capital) for investment either in a new firm or production facility (direct foreign investment), or in a pre-existing firm or production facility (indirect foreign investment).

**Intellectual Property (IP):** The TRIPS Agreement (January 1995) facilitates trade in, and resolves disputes over, intellectual property, which refers to any “creation of the mind”—brand names, software, artistic works, logos, and so on. The growth of ICT has led to a huge increase in the importance of IP. In companies in the USA, intangible assets (IP and reputation) are many times larger than tangible assets (equipment and real estate).

**Instruments:** A range of legal instruments drawn up upon the Marrakesh Agreement establishing the WTO—ratification, acceptance, accession, and withdrawal—that govern member’ adherence regional agreements to trade rules.

**Market access:** A combination of universal rules and member-specific commitments governing the selling of products—goods and services—in a particular country (market) that ensures that foreign-made products can be sold on the same terms as locally produced products.

**Non-tariff barriers (or measures):** Measures other than tariffs—for example, import bans, discriminatory rules of origin, procedural obstacles, state subsidies—that restrict import or export of goods and services.

**Plurilateral:** plurilateral WTO agreements are negotiated and agreed among a sub-set of WTO members, with number and identity of parties coming together on a case by case basis.

**Public Procurement:** Public procurement of goods and services represents a significant part of a country's domestic market and the market for foreign suppliers. The plurilateral Agreement on Government Procurement (GPA) (1996) allows suppliers/producers in one country to bid for procurement tenders in other country, above certain monetary thresholds. The GPA emphasises transparency and non-discrimination, and ensures optimal value for money in public purchasing

**Regional Trade Agreements (RTAs):** RTAs are reciprocal preferential trade agreements between pairs of countries (bilateral agreements) or groups of countries (multilateral agreements). They are permitted by the WTO subject to certain rules and the WTO maintains a register of them and some powers of oversight.

**Subsidies:** Money provided by government to an individual, business, industry or other state to support them to continue to produce or deliver goods and services at a commercially viable rate. Any negotiation over the production or sale of domestic goods or the export of goods to a foreign country is subjected to 'multilateral disciplines' designed to level the playing field and ensure that producers in one country aren't given unfair advantages over those in another via subsidies.

**Services:** GATS, or the General Agreement on Trade in Services (Jan 1995), covers 12 sectors, including business and financial services, health, education, distribution and transport, with the goal of opening up domestic sectors to international markets and removing trade (usually regulatory) barriers.

**Standards and certification:** 'Standards' are characteristics which goods must meet, and certification refers to the processes by which conformity to standards is approved. The WTO stipulates a range of standards and certification—for example, SPS around foodstuffs and agricultural produce—that may empower member states to intervene in trade in order to protect human, animal or plant life or health.

**Trade Facilitation:** The WTO Trade Facilitation Agreement (TFA) seeks to simplify, modernise and harmonise export and import processes. It contains measures to expedite the movement, release and clearance of goods, whether in transit or for use in production or consumption in a particular country. See EIF.

**Trade restrictiveness index:** Any index detailing policy measures enacted by states that restrict trade. It is most pertinent in attempts to understand the barriers to international trade in services.

**Tariffs:** A tax imposed by a country on goods and services either imported from, or exported to, another country designed to raise revenue and, for imports, to protect local markets by making imports less desirable and on exports to assure supplies to local markets (regardless of price).