

**UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT**

**ASSESSMENT OF THE IMPACT OF TRADE  
POLICY REFORM IN COUNTRIES ACCEDING  
TO THE WORLD TRADE ORGANIZATION: THE  
GENDER DIMENSION**

**A STUDY PREPARED UNDER THE UNCTAD TRUST FUND FOR WTO  
ACCESSIONS, PHASE 3**



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This report does not intend to prejudge the conformity of the acceding governments’ trade policy measures with the laws of the World Trade Organization. Any opinions expressed in this report are those of the author, and do not necessarily reflect the views of the UNCTAD secretariat.



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## EXECUTIVE SUMMARY

The impact of World Trade Organization rules on women and men differ according to the socially determined roles the different genders have in the WTO member countries. This differential impact exists even though the wording of the legal texts governing trade regulation is gender-neutral. The effects of WTO accession on women are therefore going to be different than the effects of WTO accession on men.

This does not mean, however, that the effects will always be disadvantageous for women or always advantageous for them. Nor does it mean that accession's benefits for men will necessarily be disadvantages for women. Rather, as this study tries to underscore, the particular effects of WTO accession on women will depend on the particular context of accession: on the legal and social status of women in the acceding territories, on the type and extent of trade policy reforms undertaken by the government to conform to WTO norms and WTO principles and ultimately, on the readiness of the acceding government to recognize the gendered impacts of accession and support the advantages open to women while addressing any disadvantages that WTO membership threatens to bring through initiatives such as safety net programs.

Finally, this study emphasizes that women within an acceding country will be affected differently depending on their individual positions and natural or acquired capabilities. While accession-induced liberalization may threaten the competitiveness of women in one sector, other women may profit from new employment opportunities or higher wages in a different sector.

The results set forth here do not permit of generalizations related to how accession affects countries at particular levels of development. Whether in transition, developing or least developed, accession can afford benefits or disadvantages to the female population. The likely effects are more similar among those countries with similar social views of women and girls – where females are considered equal to males and given opportunities to participate in the economic sphere, trade liberalization holds more potential than it does for women living in societies where the role of the female in public life is restricted.

Finally, in those societies where women are functionally excluded from public life, the impacts of WTO accession are going to be indirect. Such women will be affected by accession's impacts on their husbands, sons or fathers, or by the effects liberalization will have on the State's ability to provide services. While an analysis of the former impacts would substantially change the focus of this study, some comments will be given on the latter effects. As females are often the main beneficiaries of governmental spending programmes, any changes in these programmes caused by trade could be considered "gendered". Thus, where government budgets shrink due to an accession-induced reduction in import tariffs and taxes, and where such reductions are not compensated for with other revenue, women and girls may be indirectly disadvantaged by WTO membership. Whether such disadvantages are outweighed by increased personal income or freedoms will depend on the individual's personal conditions of life. If the government's liberalization results in a great increase in imports, on the other hand, the indirect effects of accession may be additional governmental spending on healthcare, education, and basic infrastructure – all of which will improve the living conditions and individual development possibilities of females beyond the direct contribution to economic growth.



## INTRODUCTION

The gender implications of trade liberalization have been the focus of study among a small but growing number of observers from both the gender-studies field and the international trade field. While most of the initial forays into the gendered effects of trade were made by the former, those trade specialists with an eye on gender have begun to be more active, looking at how particular aspects of trade liberalization through the World Trade Organization and preferential trade arrangements are affecting women and the girl-child.

A focus on how World Trade Organization (WTO) laws unevenly impact individuals depending on sex and social norms poses particular challenges, however. In the first place, WTO legal texts are completely gender-neutral in their wording. Focusing on “Members” and their obligations, the agreements of the WTO refer only rarely to humans at all. Where there is such a reference, the terms are distinctly non-individualized: “human life” may be protected<sup>1</sup>, “service suppliers” of members are entitled to most favoured nation (MFN) treatment<sup>2</sup>, “nationals” of other members are to benefit from intellectual property protection<sup>3</sup>, “applicants” are guaranteed procedural safeguards<sup>4</sup>, “interested parties” are to have prompt knowledge of newly passed regulations<sup>5</sup>. Indeed, even where individuals are necessarily the reference (and where a group cannot be substituted, such as with a “committee” or “council”), gender-neutral terms are ubiquitous: adjudicators of dispute settlement are described as being “well-qualified ... individuals, including persons who have served ...”<sup>6</sup> or as “persons of recognized authority”<sup>7</sup>. In fact, the only gendered language in the text of the treaties is the use of the term “Chairman” in reference to the member-selected person heading any of a variety of committees. While a gender-neutral alternative (such as simply “Chair”) could have been used, practice has shown that “Chairman” includes male or female holders of these positions.

Despite the neutrality of the texts and the subjects and objects of the rules themselves, however, the practical effects of trade liberalization have disparate impacts on individuals depending on their sex and social context, that is, depending on their gender. Because liberalization efforts change economies and economic change in turn leads to social changes, the well-being of women and men within these societies changes with the lowering of trade barriers and the eliminating of competitive discrimination.

### THIS STUDY

The following overview sets forth a generalized background into the gendered impacts of trade liberalization. Reflecting findings reported by gender specialists examining such impacts, this paper first indicates policy areas that warrant particular scrutiny by governments concerned with gender equality and disparate impacts of economic liberalization between females and males due to social constructs. Next, a description of the WTO rules on accession highlight areas of trade policy that are the locus of attention in the proceedings leading to WTO membership. A brief depiction of the acceding governments’ extra-WTO legal obligations to pursue gender-equality follows. Finally, the paper sets forth a number of generalizable policy suggestions as to how governments in WTO

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<sup>1</sup> GATT Art. XX(b).

<sup>2</sup> GATS Art. II.1.

<sup>3</sup> TRIPs Art. 3.1.

<sup>4</sup> E.g., ILA, Art. 1.6 (assuring that “Applicants shall be allowed a reasonable period for the submission of license applications”).

<sup>5</sup> TBT Agreement, Art. 2.11

<sup>6</sup> DSU Art. 8.1 (defining the qualifications of a panelist).

<sup>7</sup> DSU Art. 17.3 (defining the qualifications of an Appellate Body member).

accession processes could minimize negative aspects of liberalization and how they could maximize the positive potentials held by liberalization.

The country-level studies following this general overview set forth in more detail the same aspects of the impact of liberalization on gender relations.

The consultant underscores that this report does not intend to prejudge the conformity of the acceding governments' trade policy measures with the laws of the World Trade Organization. Any opinions expressed in this report are personal to the consultant, and do not necessarily reflect the position of the UNCTAD secretariat.

## **METHODOLOGY**

The content of this report and its suggestions are the result of an examination of available evidence on the target country's economic and social context, as well as the expected adjustments in trade policy that would occur with accession to the World Trade Organization. As site visits to the targeted countries was not provided for, the consultant relied largely on secondary research materials and governmental answers to a questionnaire designed to gain details on relevant matters relating to women and the economy. Of the ten questionnaires sent, seven were returned to the consultant. Of those, all but one (which arrived after the study was completed) were taken into account.

Due to a lack of access to confidential negotiating documents and a minimal response from targets as to the particular situation of women in their economies, descriptions and suggestions vary in specificity. Where no reliable information was available through accessible internet sources, rubrics were left with a notation of "No information available" and suggestions are limited to the most general comments. The consultant regrets the inability to not fulfill these portions of the study.

## I. IMPACT OF TRADE LIBERALIZATION ON WOMEN

There are numerous studies of the impacts of trade liberalization on women in developing and least-developed countries.<sup>8</sup> Looking at not only the employment effects of trade liberalization for women, but also at gender wage gaps, gender discrimination, and overall effects of trade liberalization on development, the analyses provide empirical support for several common findings:

- (a) Increased trade flows usually bring about increased employment opportunities for women in export-oriented manufacturing sectors, with a particularly large increase in the number of female workers in the textile and garment industries and in electronics;
- (b) Female employment is less stable than male employment (rapid turnover of employees in response to business gains and losses; more part-time and temporary employment of women; more relocations of women employees);
- (c) The effect of liberalization of trade on the gender wage gap varies with the competitiveness of the industry and between countries; and
- (d) Increased competition in accessing resources often threatens the livelihood of women entrepreneurs in societies that are opening to foreign trade.

These findings show the ambiguities of trade liberalization on women. A short summary of the effects is recounted as a background to the more specific analysis of World Trade Organization obligations' effects on women in developing and least developed member States.

### POSITIVE CHANGES FOR WOMEN DUE TO LIBERALIZATION

Several authors have noted the benefits of liberalization for women. Their views are based on the experiential finding that trade liberalization generally leads to more economic activity. In nearly all cases of liberalization, greater levels of economic activity lead to an increase in the number of workers in an economy.<sup>9</sup> According to conventional economic theory, when the demand for workers increases, pressure will exist to raise salaries given control of labour inflows. This pressure can foster one of two potential benefits to female workers:

- *First, salaries might rise:*

In contexts where trade increases the need for skilled workers, those women already in the workforce with such skills should experience a rise in salaries. Although wage discrimination against women exists in all economies, greater competition for jobs makes sex discrimination a costly venture for employers. As efficiency becomes more important, economically irrational factors (such as non-production-related discrimination) become less viable in the firm. There are studies showing that

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<sup>8</sup> E.g., Marzia Fontana, Susan Joekes, and Rachel Masika, *Global Trade Expansion and Liberalisation: Gender Issues and Impacts*, Bridge Report Nr. 42 (January 1998); Jane Korinek, *Trade and Gender: Issues and Interactions*, OECD Trade Policy Working Paper No. 24 (available at <http://www.OECD.org/trade>); World Bank, "The impact of international trade on gender equality" 86 PREMnotes (May 2004) (available at <http://www1.worldbank.org/prem/PREMNotes/premnote86.pdf>). Several studies look at gender relations in a particular country, notable among these is work by the Asian Development Bank. Other studies setting out indicators of gender equality also help determine how to begin analyzing the gender impact of trade liberalization. See, for example, Canadian International Development Agency, *CIDA's Framework for Assessing Gender Equality Results* (2005).

<sup>9</sup> Studies by both the World Bank and OECD note the positive correlation between women's employment and jobs, especially in the export sector. See, e.g., World Bank, "The impact of international trade on gender equality" 86 PREMnotes (May 2004) (available at <http://www1.worldbank.org/prem/PREMNotes/premnote86.pdf>); Jane Korinek, *Trade and Gender: Issues and Interactions*, OECD Trade Policy Working Paper No. 24 (available at <http://www.OECD.org/trade>).

This generalization will hold unless the economic increases are restricted to sectors where technology makes workers redundant.

liberalization of trade leads to a narrowing of the gendered wage-gap, indicating that women in liberalized sectors of the skilled economy do tend to benefit from greater economic activity.

- *Second, the pressure for salary increases may lead to an increased supply of labour:*

In contexts where trade increases the need for unskilled workers, women not yet in the workforce will have more opportunities to find employment. The move from rural to urban production centers, documented in many countries, is an illustration of this employment-pulling effect of liberalization. In export-oriented manufacturing sectors such as textiles, garments, and electronics, the newly created jobs are held up to 90 per cent by women.<sup>10</sup>

- *Third, new sectors of economic activity may develop, creating more employment opportunities:*

Another employment benefit related to trade liberalization through World Trade Organization membership comes from jobs in newly-created economic sectors. For women, a broadening of the service sector can be of particular advantage. Service jobs not only increase in number as manufacturing increases, but they are ones in which women are heavily represented, as the qualifications for most services are not measured on physical strength.

- *Fourth, harmonization of trading regulations can lower the competitive costs for small businesses owned by women:*

For many women entrepreneurs, the cost of compliance with multiple product standards (health standards or technical regulations) can form a large proportion of their production costs. The content of the WTO Agreement on Sanitary and Phytosanitary Measures (SPS Agreement) and the Agreement on Technical Barriers to Trade (TBT Agreement) aims to harmonize health or technical standards used by importing members to evaluate incoming goods. This reduces the producer's costs by allowing producers of a particular product to adapt her production processes to fulfilling only one standard rather than a standard for each target market. The World Trade Organization rules on standard setting thus offer a chance for those engaged in small-scale farming or business enterprise to limit their competitive disadvantages relative to larger producers. Thus, women producers may be benefited by such rules even more so than men.

- *Finally, there are indirect benefits of increased economic activity for women:*

The positive effects of formal employment on women extend beyond the financial earnings themselves. As women are hired and receive cash income, they often gain a measure of independence. Even where they are not financially independent of their male family members, they often become more equal by contributing financially to the welfare of the family. A greater voice on economic decision making within the household as well as more respect in the community often accompanies formal employment of the female members of society. Moreover, women's integration into a formal workplace could reaffirm their contributions to the formal economy.

## **NEGATIVE CHANGES TO WOMEN DUE TO LIBERALIZATION**

Trade liberalization, however, does not improve the conditions of all women. Depending not only on the extent and types of liberalization undertaken by the government, but also on the wealth, educational experience, geographic location, labour market, legal rights, and cultural norms of the women's immediate and broader society, the impacts of liberalization can be neutral or negative.

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<sup>10</sup> OECD study, para. 33 and Table 2.

- *Social changes accompanying liberalization can introduce hardships on women:*

Economic changes result in greater or lesser social changes. For non-market economies, the liberalization of trade and the introduction of competition can have serious impacts on the daily lives of individuals. While consumers will often enjoy lower prices, producers will be put under price pressures. Such pressures will require a lowering of production costs to maintain viability. For mixed economies, liberalization may lead to a reduction of household incomes when subsidies are reduced or redirected, or when preferential regulations are abolished, allowing for greater competition on the national market. Even market economies may experience hardships as changes in national or local regulations and standards give way to international standards, requiring adjustments to production methods. While both men and women producers in these economies will have to face such hardships, the legal and social position of women may make the adjustments more difficult for them.

Other changes that can have particularly severe effects on women are those that lower the amount of government revenue available for social or welfare programmes. As some trade barriers, particularly tariffs, are a source of government revenue, the reductions of such barriers that accompany WTO-compatible liberalization can result in a decrease in the overall government budget. When the budget-tightening causes cuts in welfare programmes, women and children are often the most adversely affected.<sup>11</sup> This effect is due to the disproportionate number of women that are either (or both) the primary caregiver in a family. Consequently, female-headed households are more significantly impoverished and thus more reliant on government-subsidized programmes than male-headed households.

- *Competition for resources can disadvantage women:*

When increased economic activity is accompanied by increased competition, resources become scarce. This negatively affects women already employed as producers, as access to resources (such as capital needed for investment) often becomes more difficult than prior to liberalization. Where gender norms already limited women's access, post-liberalization competition may worsen women's economic viability.

Studies on the effects of ownership of assets demonstrate the importance of such ownership to providing economic security in times of financial, personal, or natural emergency as well as to assisting the owners to escape poverty through economic activity. Access to resources allows for ownership to expand. Financial resources for investment in an enterprise are necessary to expand productive capacity to capture efficiencies that come with economies of scale.

Studies regarding the effects of gender on asset ownership reveal that gender impacts ownership, as women own and control fewer resources than men and have more difficulties in accessing additional resources. Gendered influences in governmental programmes, local customs, and familial relations function with market forces in keeping women from improving their social and economic status.<sup>12</sup> As trade liberalization encourages more economic activity, foreign and local competition for financial resources necessary for such activities increases. Having less access to credit due to the lack of property ownership for mortgages, women may be subjected to less favorable terms.

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<sup>11</sup> Nancy Fraser, quoted by Kate Bedford, notes, "welfare wars will largely be wars about, even against, women". She explains this as a result of the fact that "women were the principal subjects of the welfare state – its beneficiaries and paid workers, and providers of the unpaid care targeted for governmental regulation". Nancy Fraser and Kate Bedford, *Social rights and gender justice in the neoliberal movement* 9 *Feminist Theory* 225 (2008) (quoting Nancy Fraser, *Unruly Practices: Power, Discourse, and Gender in Contemporary Social Theory* 144, 147 (Minneapolis: Univ. of Minnesota Press, 1989).

<sup>12</sup> Cheryl Doss, Caren Grown, and Carmen Diana Deere, *Gender and Asset Ownership: A Guide to Collecting Individual-Level Data*, World Bank Policy Research Working Paper 4704, p. 2 (August 2008). The authors relate that there is little known about the gender asset gap in Asia due to lack of data, that the data on Africa is difficult to analyze due to the large proportion of untitled or collectively-owned land, but that there is a large gap in Latin American countries. *Id.* at 7.

- *Working conditions may worsen for unskilled workers:*

For unskilled women and women living in or near poverty, trade liberalization can be more threatening. For the unskilled, working conditions may worsen. As unskilled workers are the most vulnerable portion of the labour force, trade liberalization may have the most negative effect on this portion of society, in particular the unskilled women. Trade liberalization could therefore lead to the lowering of welfare for unskilled labour.

- *Employment conditions may worsen:*

For those women employed in economies with lack of enforcement of labour standards, trade liberalization may lead to the worsening of employment conditions. As firms struggle to remain competitive in their new environment, the lack of labour standards may induce the marginalization of working conditions. Employment may become more difficult or more hazardous as employers combine greater demands for productivity and employee flexibility with less offers of employment security and sacrifices of workplace conditions. In such conditions, the lower skilled the worker, the more such effects can be felt.

- *Increased competition makes survival of small enterprises more difficult:*

For self-employed women, the increased competition introduced by trade liberalization may also pose difficulties. Where women are farmers, for example, they tend to be overrepresented among small-scale farm-owners producing for the local market. Where liberalization permits cheaper foreign agricultural products access to such markets, these women's livelihood can be negatively impacted. The limitations on governmental subsidization of agriculture arising from the Agreement on Agriculture's requirements to limit the amount and forms of domestic support reduce the chances of these farmers' survival even further.

Women entrepreneurs, too, are typically located in small businesses. Competitive pressures threaten their source of income as they do women farmers'. Here, the above-mentioned restriction of supplies of capital or production inputs can limit their ability to compete, let alone to expand their markets and take advantage of the liberalized trading conditions.

- *Indirect disadvantages of trade liberalization:*

Women and girls can also be disadvantaged by indirect impacts of trade liberalization programmes. When, for instance, a government lowers its tariff rates in a liberalization programme, this can harm women as consumers, even though they may pay lower prices for imports on goods, because in countries dependent on tariff payments for revenue, trade liberalization will lessen the amount of financial resources available for government programmes. Government budget shortfalls impact poor women more severely than it does their male family members. Cuts in healthcare or food aid, for example, affect women disproportionately because women disproportionately bear the burden of caring for the sick and nourishing the family. Cuts in education spending can affect women disproportionately because the girl-child is often the first to be kept home when education costs rise or when travel to a more distant school is required. Cuts in infrastructure support can burden women by increasing the proportion of their time spent providing water for their families.

Environmental damage, including both pollution and environmental degradation, that can result from increased production activities can also disproportionately threaten women and children, as they are forced to spend a greater portion of their day securing necessary resources (such as fuel and water), raising crops in degenerated soils, and/or caring for family members who have become ill from a polluted ecosystem.

Finally, the impacts of liberalization on males will have secondary effects on the females, even in societies where women are discouraged from working in the public sphere (and therefore less likely to experience direct effects of trade policies on the economic system). Economic downturns could possibly lead to further exclusion of women from the public sphere and increase their vulnerability towards social abuses.

Interestingly, however, even improvements in the economic status of the male family member can bring disadvantages to females of the family, regardless of the material benefits. There have been observations of less equal gender relations in some contexts of increasing wealth, in particular where the economic growth following liberalization has been in male-dominated job sectors. Whether as a result of a necessary redistribution of household work in response to additional employment of the male family member or because of a growth in market ideologies that reject previous norms that emphasized gender equality, the result is a limitation on women's activities in the public sphere and an increasingly subservient role in the home.



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## II. ANALYSIS OF TRADE POLICIES AND REFORM ADJUSTMENTS FOR ACCESSION TO WTO

Membership in the World Trade Organization is possible through accession to the organization. A multi-step process beginning with an application for accession and including bilateral negotiations with existing members on future trade policies, the demands on the accession candidate are significant. The consensus-decision-making tradition of the organization, moreover, can make the negotiations over accession politically as well as technically difficult.

The purpose of accession negotiations is to demonstrate the applicant's willingness to liberalize its trade and economic policies so as to ensure future conformity with WTO principles. Thus, all applicants must submit details on the legal framework of international trade in their country. Besides describing the applicant government's legal structure insofar as it affects international trade (including not only the specific legal rules and regulations on international trade, but also the division of legislative, executive, and judicial powers, federalism, judicial, administrative, and arbitral procedures, and any planned changes to the system), this submission must include at a minimum market access offer for goods trade and an equivalent listing of such offers for international services and service suppliers. These "market access" provisions aim to ensure the flow of trade into and out of the acceding government's territory upon accession. Although the subject of bilateral negotiation with existing members, these promises of liberalization will be multilateralized through the MFN treatment obligations of the WTO agreements, and thus must be carefully framed or limited, if full liberalization is not desirable.

Applicants for accession must also agree to offer non-discriminatory treatment to traded goods and services. Thus, not only will non-discrimination be demanded between members' products and services or service suppliers through the MFN obligation<sup>13</sup>, but the national treatment principle will disallow the acceding government from offering advantages to domestic goods producers that would alter the conditions of competition on the internal market. For services and service suppliers, the national treatment obligation (like market access) is optional and may be limited by the government at the time of accession.

The WTO agreements contain more specific rules regarding the establishment of intellectual property protection. Under the provisions of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), each member must provide copyright, trademark, geographical indication, industrial design, patent, and integrated circuit topography protection. In addition to the legal provisions, the members must offer effective systems of enforcing such rights to all nationals, including that of other WTO members.

The legal framework of the WTO rules neither requires nor disallows the introduction of non-trade related demands being placed on acceding governments. Thus, potentially even the promotion of gender equality could become an objective in an accession.

There are, however, certain common trade policy measures to which all acceding governments agree. These are generally grouped in the following categories:

- Trading rights;

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<sup>13</sup> Although GATS Article II.2 permits members to make exemptions to the MFN obligation upon entry into the WTO system, this exemption possibility is temporarily limited so as to make it inappropriate for use to advance gender equality measures. As the exemptions are not to exceed 10 years, and are subject to periodic reviews, complex social problems such as gender relations are unlikely to be solved within their legal lifespan. Annex on Article II Exemptions, paras. 6 and 3. While the 10-year limit has been effectively overlooked by many members, it cannot be recommended to rely on such an attitude during an accession negotiation.

- Import regulations (including tariffs, quantitative restrictions and licensing regulations, rules of origin, pre-shipment inspection, anti-dumping regimes, countervailing duties legislation, and safeguards);
- Export regulations (including tariffs, quantitative restrictions, and subsidies);
- Internal policies (including subsidies, technical barriers to trade, health standards, investment measures, state trading, government procurement, agricultural policies, and special regimes for textiles);
- Services trade;
- Intellectual property protection; and
- Transparency (publication and notification of information on the trading regime).

### **PLACE OF WOMEN IN SOCIETY AND IN THE WORKFORCE**

All of the studied countries have acceded to the United Nations Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW). This Convention requires in Art. 2 (c) and (d) that each Party government “agree ... to ensure ... the effective protection of women against any act of discrimination; to refrain from engaging in any act or practice of discrimination against women and to ensure that public authorities and institutions shall act in conformity with this obligation”.

Despite the obligations of the CEDAW, some countries maintain legal barriers to the equality of men and women. While constitutional clauses often proclaim sex equality, private law rules governing inheritance of property, family law on marriage and divorce, a lack of sanctions for discriminatory employment practices, a lack of prohibitions on sexual harassment, and penal codes that discriminate in the treatment of sexual offences are widely found and can undermine the constitutional rights.

Thus, it is a challenge to look at societies and cultures with a differential view of how women are legally treated and culturally viewed when examining how WTO accession will influence their lives. Inevitably, the findings in this study will be generalizations, as any particular woman will face different possibilities, depending on her personal history and current context.

### **IMPACT OF ACCESSION ON POLICIES WITH A GENDER DIMENSION**

The effects of trade liberalization on women and girls vary depending on context. In economies that are particularly dependent on sectors that are mostly male-dominated, such as the oil and gas sector, trade liberalization would have a lesser impact (whether positive or negative) on women. On the other hand, in economies that are reliant on sectors that employ more women, such as the tourism sector, the impact of trade liberalization on women could be more significant.

Liberalization will impact the gender policies of countries with strong norms governing social relations of men and women less than it will the policies of countries where equality of the sexes is broadly accepted.

Nevertheless, the variety of impacts access to WTO will have on the females of a particular population may differ as much *within* countries as across countries. Highly context-specific, gendered effects of accession to the WTO will be different for women with education than for those who have no schooling; different for women living in urban areas than for those in the countryside, different for women from wealthy families than for women from impoverished homes, and possibly even different for girls than for adult women.

As the research presented in this study was conducted from a distance and based on available published information or comments of governments, the consultant has not been able to indicate the WTO accession impacts on specific groups of women. (While the questionnaire sent to targeted governments provides the basis for some more specific comments suitable to the conditions of the country, the specificity of analysis remains a problem, as there is a lack of substantial data in many areas where gender and trade liberalization interact and due to the highly individualized nature of this interaction.) Instead, what is indicated are suggestions of general trends that have been documented by other researchers. Each acceding government, therefore, is strongly encouraged to pursue a broader-based study of the impacts for vulnerable segments of its female population in order to further define the effects of trade liberalization on the society.

## **SAFETY-NET PROGRAMMES FOR WOMEN**

Government action is desirable to offset some of the disadvantages faced by women during trade liberalization. While specific responses to the needs of women must be determined on a local level, certain action is generally recognized as beneficial: this includes ensuring some system of financial support for unemployed workers and striving to ensure the effectiveness of non-discriminatory labour standards regulating working conditions in the formal and informal sector. A government measure that is sometimes overlooked, but just as valuable to the ability of women to benefit from trade liberalization, is the establishment of government-supported and government-certified training programmes for female employees.

### Government training (and retraining) programmes

One of the most important types of programmes that governments can offer to improve the prospects for women facing the liberalized market in manufactured or agricultural goods or in services are those that offer formal education and training programmes for women employees (in addition to those for the girl child). While education of women will not – on its own – eliminate gender discrimination in the workplace or in the home, skill level seems to be the single most important factor in determining whether greater economic opportunities through more competition is going to bring advantages or disadvantages to women. Training of women workers provides the women with an inalienable resource, making them not only more valuable to the employer, but also less fungible. In the workplace, this translates into better bargaining power for higher paid jobs, but also for more stable employment. Becoming a necessary, or at least a hard-to-replace, employee can also lead to better working conditions – be it in workplace safety, weekly hours, or rest periods.

Retraining efforts are also important. The Organization for Economic Cooperation and Development (OECD) has shown that, even when skilled women lose their jobs, retraining promises a shorter period of unemployment. This benefit is due in part to the ability of trained workers to adapt to new work environments.<sup>14</sup> Retraining programmes can be public, private, or a combination, any of which offers the benefits of keeping productive skills in the active economic life of the country.

For women in agriculture, training in the use of machinery and fertilizers can increase yields. Education as to alternative crops or marketing methods could help such farmers adjust to the increased competition accompanying more open markets.

Women with more training also tend to command more respect in the private sphere. Reinforcing the positive effects of formal employment itself on the status of the female in the household, training can augment self-realization and her authority over decision-making vis-à-vis male family members. Such effects are not only beneficial for the individual woman, but for society as

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<sup>14</sup> Paras. 45–50.

a whole, as social development (and, in turn, economic growth) have been shown to be strongly supported by female control of budget-making.<sup>15</sup>

### Gender mainstreaming

Finally, governments are encouraged to take advantage of methods to integrate gender awareness into policymaking and budget formation in their trade negotiations.

“Gender mainstreaming” is a process of considering the implications of government decision-making on gender relations at all stages of the policy making process. In the words of the United Nations Special Advisor on Gender Issues and Advancement of Women, gender mainstreaming is:

“a strategy, an approach, a means to achieve the goal of gender equality. Mainstreaming involves ensuring that gender perspectives and attention to the goal of gender equality are central to all activities – policy development, research, advocacy/ dialogue, legislation, resource allocation, and planning, implementation and monitoring of programmes and projects.”<sup>16</sup>

Thus, gender considerations are to be noted in the planning, budgeting, implementing, and review stages. The underlying idea of mainstreaming is to encourage decision-makers to approach the mainstreamed interest as an integral part of the process, rather than as a supplemental add-on or post-hoc justification for a particular rule.

There has been considerable attention devoted to mainstreaming methodologies in governmental<sup>17</sup>, organizational<sup>18</sup>, and scholarly<sup>19</sup> circles. Toolkits such as those composed by the World Bank or the United Nations may be suitable starting points for acceding governments to begin studying should they wish to integrate the aspects of gender relations that might be affected in their particular communities into their trade policymaking plans.<sup>20</sup>

## **COUNTRY STUDIES**

The following sets out the possible effects of accession to the World Trade Organization on particular countries’ women. The geographic and cultural aspects of each State, the position of women in their economies and social life are generalized, and then particularized considerations about the WTO accession’s impacts and possible government actions to ease the negative effects and/or enhance the positive effects are set forth.

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<sup>15</sup> OECD paras. 23–25.

<sup>16</sup> OSAGI, Website description (<http://www.un.org/womenwatch/osagi/gendermainstreaming.htm>).

<sup>17</sup> The German Government has been in the forefront of gender mainstreaming activities.

<sup>18</sup> Within the United Nations System, the Office of the Special Advisor on Gender and Advancement of Women is just one of numerous agencies whose programme includes gender mainstreaming. The United Nations Development Programme, the United Nations Economic and Social Council, and the United Nations Educational, Scientific and Cultural Organization (UNESCO) are also active in the area, as is the International Labour Organization (ILO), the World Bank and the International Monetary Fund (IMF).

<sup>19</sup> As one of many, see the selection of essays contained in Christiane Burbach and Peter Döge, eds., *Gender Mainstreaming: Lernprozesse in wissenschaftlichen, kirchlichen und politischen Organisationen* (Vandenhoeck & Ruprecht, 2006).

<sup>20</sup> E.g., Astrida Neimanis, *Gender Mainstreaming in Practice: A Handbook United Nations Development Programme ((UNDP)); World Bank’s Gender and Development site.*

### III. AZERBAIJAN

Azerbaijan is situated in the heart of the Caucasus. Bordering the Caspian Sea on the East, the country sits between the Islamic Republic of Iran, the Russian Federation, Armenia and Georgia, with gross domestic product (GDP) per capita of \$3,663<sup>21</sup>.

The economy of Azerbaijan is heavily based on oil and natural gas production, although mining, agriculture, and cotton production are also significant contributors to the country's GDP. As a former Soviet Republic, Azerbaijan's industry and agriculture have been privatized only recently. The Government's regulatory reform efforts have already succeeded in attracting foreign investment and the liberalization of oil drilling rights and planned pipeline construction projects promise to spark even more investor interest in the future.

Slightly under half the population lives in the countryside. Of this rural population, almost all are small-scale farmers.

Culturally, the Azerbaijani population is mainly Azeri, with a small number of several other ethnic groups. Although a high proportion of its citizens are Muslims, the country itself is secular, and freedom of worship is legally protected.

#### ANALYSIS OF TRADE POLICIES AND REFORM ADJUSTMENTS FOR ACCESSION TO WTO

According to WTO, Azerbaijan's accession has been underway for over 10 years. Considering itself a developing country, Azerbaijan has expressed an interest in creating both a market economy with multiple sectoral strengths and an efficient and good government.

Information received during this study indicates that the privatization programme is progressing in most sectors of the economy, although the large oil and gas sector will remain under State authority.

Another area of economic policy that is of particular interest to WTO members and the women of Azerbaijan is that of price controls over energy products and water. While Government agencies currently use differential prices for different consumer groups, WTO members would like to see these controls lifted, allowing prices to rise to world levels.

In the area of trading rights, there is substantial equivalent treatment of foreign and domestic traders. All registered persons can trade, whether legal residents or non-residents. This is a benefit to women, as it protects their legal right to be active in importing or exporting activities. The near-automaticity of licensing for particular products, including alcohol, also will benefit resource-poor women entrepreneurs, and particularly the lowering of the cost of the alcohol and tobacco sale's license will likely allow a significant rise in profitability for the women working in this segment of the economy.

Azerbaijan's import tariff policies allow traders a measure of planning certainty, with an overwhelming number of tariffs being *ad valorem* few tariff-quotas in the planning stage, and licensing fees being reduced. At the same time, some of the fees currently applied would have to be raised to cover the administrative costs – including sanitary fees, which are the same for domestic and foreign producers.

Excise tax rates, too, are to be equalized as between foreign and domestic products. While agricultural products sold directly to consumers are not subject to the value added tax (VAT),

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<sup>21</sup> IMF. Republic of Azerbaijan, Statistical Appendix, May 2008.

processed agricultural products are. However, because most agricultural imports were subjected to the tax, the issue of this exemption is open for negotiation, as it would not be in conformity with the national treatment obligation of WTO agreements.

The adjustments to the export restrictions that are being undertaken will remove the customs fees for national exporters, thus helping their competitiveness. This could be of particular importance to small producers, often women, who will be able to benefit from cost savings and a reduction of the administrative burden of trading. The Government's reported agreement to bind its agricultural export subsidies at zero, however, may prevent small female farmers – for instance, those who begin production of non-traditional crops – from being competitive on the world market.

The technical barriers and health standards law of Azerbaijan are in revision for conformity with WTO rules, with significant progress already made. The harmonization and – even more so – the increased transparency of these laws will benefit women in their ability to market products and to know what products are safe to consume.

There are no free trade zones at this point, but the Government agreed to commit to governing any future such zones to the rules of WTO.

In intellectual property protection, Azerbaijan is creating new legislation in several areas required by the TRIPS Agreement. This is in addition to the Government's existing membership in numerous international intellectual property treaty regimes.

For services, the information available indicates a substantially non-discriminatory treatment in financial services and an openness to foreign service suppliers in the medical health profession. There are numerous sectors that are subject to price controls. These include several of particular importance to women, including transportation, communications, public utilities and education.

Azerbaijan's administrative transparency is not yet complete. While judicial, legislative and executive decisions are published and available to interested persons, legislation is still under consideration.

## **PLACE OF WOMEN IN SOCIETY AND IN THE WORKFORCE**

Women in Azerbaijan enjoy the protection of equal legal rights, including the right to own property. Moreover, the reported average educational level of females in Azerbaijan is high, with rates of school attendance equivalent to that of males at all levels.<sup>22</sup>

Yet, despite the equality of legal rights, women in Azerbaijan face severe discrimination.<sup>23</sup> Thus, although close to half of the population earns less income than the poverty line, many women do not seek work.

Of those women that do have a job, approximately one third work in State jobs and another one third in agriculture. Between 11 and 20 per cent of the female workforce is employed in small-

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<sup>22</sup> A recent report by the non-governmental organization (NGO) International League for Human Rights (ILHR) points to the declining number of women in higher education over the past decade. ILHR, Comments on the Report of the Government of the Azerbaijan Republic on CEDAW Compliance ([www.ilhr.org/reports/azerbaijan/azerbaijan\\_b.html#TOP](http://www.ilhr.org/reports/azerbaijan/azerbaijan_b.html#TOP)). The ILHR suggests that one of the reasons for this is the lack of real employment opportunities post-graduation. Id. (comments on Art. 10).

<sup>23</sup> International Fund for Agricultural Development (IFAD), Azerbaijan gender profile (5 March 2007) ([www.ifad.org/english/gender/cen/profiles/aze.htm](http://www.ifad.org/english/gender/cen/profiles/aze.htm)); United States Agency for International Development, Gender Assessment for USAID/Caucasus/Azerbaijan (15 January 2004) ([www.usaid.gov/our\\_work/cross-cutting\\_programs/wid/pubs/ga\\_azerbaijan.pdf](http://www.usaid.gov/our_work/cross-cutting_programs/wid/pubs/ga_azerbaijan.pdf)).

and medium-sized enterprises. The education and social service sectors are exceptional in being woman-dominated.

The conditions of working are unequal for men and women. Pay is highly uneven between men and women, poorer working conditions and fewer benefits disadvantage women, and adequate daycare is scarce and expensive.<sup>24</sup> Women are severely underrepresented in top positions in the corporate sector as well as in other sectors of the economy.<sup>25</sup>

Privatization is reportedly worsening the employment conditions for women, given private sector employers' greater tendency to discriminate on the basis of sex.<sup>26</sup> The Government's poor record of enforcing legal requirements of labour law in the formal sector is damaging to women's chances of contributing to the economy, but the widespread informal labour sector with no practical enforcement at all is perhaps an even larger threat to the working female population of Azerbaijan.

### **IMPACT OF ACCESSION ON POLICIES WITH A GENDER DIMENSION**

Given the employment pattern, direct impacts of WTO accession for women in Azerbaijan promise to be most heavily felt in education and social services sectors, and in agriculture. Indirect effects, of course, are probable, but hard to accurately assess in this report.

The effects of privatization are potentially problematic to gender relations, as women employees of such companies might face a higher risk of unemployment under private owners than under state ownership. This danger is currently modest, however, as the State-owned education, health, communications and financial services sectors, although potential privatization targets, have not yet actually been privatized. As these sectors are traditionally heavily female, any further decisions on transfers of ownership should be made only with full information on the effects of the female workers.

Another item of potential importance is the consideration of removing the advantages enjoyed by domestic agricultural producers in their exemption from the VAT. As many farmers in Azerbaijan are small and struggling, a removal of their advantages over foreign competition could result in serious consequences for the women and their families. The absence of export credit guarantees and export insurance is also a policy that could prevent female farmers and those beginning to produce non-traditional crops from successfully entering the world market. Export subsidies for such farmers, particularly such that would help finance marketing and shipping (Agreement on Agriculture, Art. 9.1(d)), would be permissible at a level above zero – and the Government should therefore reconsider its intent to bind all such subsidies at zero or request its right to have access to Article 9.1.

Indirectly, accession policies might also have results that will disproportionately affect women. These results are due to the combination of Azerbaijan's heavy economic reliance on the energy sector and the traditional role of women as responsible for the household. The most obvious danger to women would arise if the Government would submit to the pressure to raise the Government-imposed rates to meet world prices on energy. With an increased cost of fuel, heating and cooking costs would increase while salaries in non-energy areas remained constant. The loss of

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<sup>24</sup> IFAD, *supra*. Numerous other sources confirm this assertion. The World Bank notes that nearly the entire wage differences cannot be explained by any differences in productivity. World Bank, *Azerbaijan Gender Profile* (relying on Pierella Paci, *Gender in Transition* (World Bank, 2002)). USAID reports that even in the education and health sectors, there is a female wage gap of 72 per cent and 55 per cent, respectively, and that discrimination is widespread at both the hiring stage and in the consideration for promotions. *Id.* at 7-8.

<sup>25</sup> United States Department of State, *Human Rights Report 2008 - Azerbaijan* (available at [www.state.gov/g/drl/rls/hrrpt/2008/eur/119068.htm](http://www.state.gov/g/drl/rls/hrrpt/2008/eur/119068.htm)).

<sup>26</sup> USAID at 9.

purchasing power could then result in the decline in healthcare spending and nutrition – areas of particular importance to females' well-being.

## **RECOMMENDATIONS**

First, the Government should be aware of the particular susceptibility of women to liberalization of the education and social service sectors, due to their numerical dominance in these areas. Liberalization under the General Agreement on Trade in Services (GATS), therefore, should be undertaken only with careful consideration of the potential competitive effects on current employees. Investment allowances in these sectors could, for example, be limited or conditioned on the maintenance of those currently working, or on the training of domestic teachers, social workers, etc. Wage equalization between men and women could also be required of foreign as well as of domestic employers.

In agriculture, too, the large number of women working on farms suggests caution when liberalizing trade in agricultural products. Reduction of domestic protection needs to be accompanied by governmental or non-governmental organizations' offering of technical training geared at female farmers, and the development of non-traditional crops, currently a very small proportion of Azerbaijan's agricultural landscape, could be considered as particularly promising economic activities for women.

Second, the high proportion of women working in the Government's employ and the relatively more equal treatment of governmental female employees than their private sector counterparts also suggests that liberalization needs to attend to these women's positions. Where new administrative procedures are introduced, further training could be offered the women; where offices are closed, the re-training foreseen by Article 19 of the Law on Employment should be expansively used.

With a substantial (10–30 per cent) portion of the Azerbaijani budget stemming from market access payments (import taxes and licenses), commitments to liberalize trade will undoubtedly have an impact on the society and social spending. Thus, on the level of indirect impact of accession, consideration of women's greater dependence on Government spending programmes needs to be kept in mind. Because a disproportionate number of women are poor, including those households headed by women, may rely on governmental programmes, liberalization commitments need to be limited to what is financially feasible – if tariff reductions cannot be offset by alternative sources of revenue necessary for social spending, the Government may be better off waiting until an alternative is found before agreeing to lower tariffs substantially.

In addition, the Government needs to ensure that any gains from increased commercial activities are redistributed throughout the population with an object of equalizing employment opportunities practically – that is, by ensuring not just that women have a choice of work, but also have access to an infrastructure (including affordable quality childcare programmes) that permits them to maintain a family in addition to work.

Finally, the Government needs to be aware of the increasing discrimination against women that seems to be accompanying privatization and attempt to offset this tendency. The possibility of financial exclusion of women is real and the Government is encouraged to conduct both educational programmes to make banks aware of the prohibition against discrimination and to actively enforce the discrimination laws with civil or criminal sanctions against those banks that do discriminate.

There will likely be significant legislative adjustments yet to be made prior to WTO membership or in the short-term after accession. The Government is advised to work closely with gender experts to ensure that the positive potentials are harnessed while the negatives are kept to a minimum.

## IV. BHUTAN

Bhutan, a small kingdom between China and India in the Himalayas, began its modern development process in the 1960s. The Bhutanese development story is unique given that in the past 50 years, the country developed from complete rural agrarian subsistence farming system with no currency or industrial activities to having today the second highest GDP per capita in South Asia, with strong and growing hydropower, construction and tourism sectors. The development process in Bhutan is guided by the concept of Gross National Happiness (GNH). The economic growth of the country in recent years has been relatively strong and stable. The real GDP of Bhutan grew at an average of 9.6 per cent between 2003 and 2007, taking into consideration an estimated growth of over 21.4 per cent in 2007. Although Bhutan has made significant socio-economic progress, about 23.2 per cent (2007) of the population, mainly in the rural areas, continue to live below the poverty line.

About 69 per cent of the population is involved in the agricultural sector from farming or forestry. The main exports of Bhutan are electricity, ferro-silicon, cement, portland cement, minerals and fruits.<sup>27</sup> In the industrial sector, cement and electricity are the main contributors to GNP.<sup>28</sup> Although bordering both China (Tibet) and India, Bhutan is economically more closely tied to its southern neighbor, with whom it has a free trade agreement and to whose rupee the Bhutan ngultrum is pegged. Well over 77.85 per cent of the imports to Bhutan originate in India, and over 93.50 per cent of the exports go to India. While Bhutan is diversifying its economy<sup>29</sup>, India is likely to remain an important trade partner.

Bhutan's services sector is growing quickly, contributing over 38 per cent of GNP in 2005, up from 25 per cent in 2001.<sup>30</sup> Tourism, in particular, is a developing sector.

### ANALYSIS OF TRADE POLICIES AND REFORM ADJUSTMENTS FOR ACCESSION TO WTO

Bhutan's accession process to the WTO began in September 1999 when the Royal Government of Bhutan applied for accession under Article XII WTO Agreement. Applying as an LDC, Bhutan hopes to strengthen its economy by integrating into the global trading system.

Bhutan is eager to be in compliance with the WTO legal rules upon accession, although some areas will require extended procedures.

Tariffs, in one of seven levels ranging from zero to 100 per cent *ad valorem*, are the only duties or other charges placed on goods trade. The average tariff is 22 per cent, and only certain products were subject to the highest rate. Agricultural products, however, were subject to an average rate of 42 per cent. There are no export tariffs, but Bhutan intends to reserve its legal possibilities to impose export taxes on certain agricultural products of particular interest.

Internal taxes on imports are based on product rather than origin, and should therefore be in conformity with the national treatment provisions of Article III.2. The Government plans to adjust its taxation-at-point-of-entry practice with a uniform application of the tax at the point of sale.

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<sup>27</sup>Bhutan Economy 2008, [http://www.theodora.com/wfbcurent/bhutan/bhutan\\_economy.html](http://www.theodora.com/wfbcurent/bhutan/bhutan_economy.html) (drawing on the 2008 CIA World Factbook) (hereinafter CIA World Factbook).

<sup>28</sup> Dept. of State, Bhutan.

<sup>29</sup> Compare CIA World Factbook with the CIA World Factbook 2001 (the 2001 Factbook recorded over 90 per cent of exports going to India, while the figures for 2006, recorded in the 2008 Factbook are 54.5 per cent for India and 34.6 per cent to Hong Kong, China).

<sup>30</sup> Compare CIA World Factbook with the CIA World Factbook 2001.

Many of the quantitative restrictions imposed by Bhutan appear to be aimed at interests protected by the general exceptions of GATT Art. XX or the security exception of GATT Art. XXI. While some are import prohibitions, others are restrictions, subject to grant of clearance by competent authorities.

On rules of origin, Bhutan's Government applies particular rules only for its preferential trading arrangements under the South Asian Association for Regional Cooperation Preferential Trading Agreement and the South Asia Free Trade Agreement. Other goods receive MFN treatment.

Bhutan has no legislation allowing for the imposition of anti-dumping or countervailing duties or safeguard tariffs. While the Government intends to reserve their right to permit such measures to be used, any such use would be in conformity with the relevant WTO agreements.

In the area of subsidies, Bhutan has no subsidy programmes for export or for industrial development currently, but it intends to maintain the flexibility to use such subsidies to promote industrial development in small business as well as with other sustainable commercial ventures.

In the area of standards, Bhutan has formal recognition only of India's ISI certification. Other standards and technical regulations that may develop in the future would be compatible with the WTO Agreements on Sanitary and Phytosanitary Standards and on Technical Barriers to Trade, including the transparency requirements.

Bhutan has indicated that it is not interested in joining the plurilateral Agreement on Government Procurement. Hence, disciplines governing the plurilateral Agreement on Government Procurement would not be applicable to Bhutan.

Agricultural trade policies were not significantly different from other trade policy. Import tariffs were the only market access barriers to such products, although germplasm imports required a permit. Genetically modified organisms are not yet specifically regulated, as further capacity building in the area is required.

In terms of governmental support of agriculture, the Government of Bhutan relies upon infrastructure development and research activities rather than direct payments or price supports. Export credits, either pre-shipment or post-shipment, are available from the Bank of Bhutan to agricultural exporters at interest rates of 13 per cent.

Bhutan's service sector is growing in size and significance, and the Government reportedly views its continued development as important. There are some service monopolies in sectors of particular public interest, such as telecommunications, post and power, but other former monopolies are being opened to competition (such as banking). For those sectors that reportedly are being considered for inclusion in Bhutan's specific commitments, most are unburdened by any limitations on market access beyond a minimum size for foreign commercial presence, a maximum foreign ownership of equity, and by restrictions on the movement of natural persons who do not fall into the categories of business visitors, "persons responsible for setting up of commercial establishment", or "intra-corporate transferees". In the area of national treatment, limitations on committed sectors are fewer still, existing mainly in the limits on foreign ownership of land, subsidies (which the Government reserves rights in granting to particular categories of persons or to particular regions), foreign exchange movements, transfer of company shares, and a general requirement that foreign investors contribute to the technical knowledge of Bhutanese employees.

Tourism services, a particularly important sector for Bhutan, are more restricted than other services. Bhutan's policy of encouraging only limited but high quality tourism is reflected by the expected specific commitments being limited to hotels and restaurants, and the requirements for

nationals acting as tour operators to have a minimum level of education and to pay non-negligible annual fees to qualify.

For its intellectual property regime, the Bhutanese Government is reported to be favourable to implementing the legislative and administrative changes required by the provisions of the TRIPS Agreement. Indeed, Bhutan is already a member of several major international intellectual property (IP) agreements, and is planning to join further regimes in the near future. Current legislation also includes substantive provisions as well as procedural ones (such as the sanctioning of IP violations through civil and criminal procedures) as required by the TRIPS.

## PLACE OF WOMEN IN SOCIETY AND IN THE WORKFORCE

The most striking aspect of the place of women in Bhutan's society and workforce is the relatively high position they enjoy compared to neighboring countries. Significant, too, however, is the recognition that the equality of women is *decreasing* as the economy modernizes. The worsening gender relations, too, are most pronounced in the urban areas, where market conditions are most advanced.

Under Bhutanese law, the status of women is legally equal to that of men: civil and political rights as well as private law of the family guarantee women equality and the same protections as men receive. In many rural areas, women are even the main heirs to their parents' property.

Socially, the equality of women succeeds in large part due to values of respect and the rural realities of women's large contribution to the household economy and village political life. Women in Bhutan's agricultural communities share the farm work with their husbands, take part in decisions regarding both household management and the economic activities of the family, as well as participating in local political decision making. Legally, access to credit for business ventures is also available, and efforts are being made to extend microcredit to women in rural areas.

At the same time, there is a gender gap in education that is particularly severe in rural areas. Although the Bhutan-wide percentage of females and males in the mandatory primary school and even at the secondary school level is nearly equal, in the rural areas, estimates of the literacy rate are extremely low.<sup>31</sup> This contributes to females' real and perceived abilities to engage in non-farm work and in political decision making at higher levels.<sup>32</sup> In the urban workplace, too, women remain underrepresented, and those females who do work are often in low-skill (and low-pay) positions. Thus, while 31–50 per cent of the women in Bhutan attend university or higher technical training, less than 10 per cent of the professionals are women.

Politically, women have equal voting and representation rights as men, but the number of women in positions of governmental authority is low on both the local and national level. This has been attributed to the traditional psychological and social perceptions of women's – and especially poor women's – inherent abilities to make political decisions.<sup>33</sup>

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<sup>31</sup> A Food and Agriculture Organization of the United Nations (FAO) report cites a 1998 figure by Rosenegger of 10 per cent literacy for rural women. See FAO Sustainable Development Department, Bhutan ([www.fao.org/sd/Wpdirect/Wpre0105.htm](http://www.fao.org/sd/Wpdirect/Wpre0105.htm)).

<sup>32</sup> Other factors influence the under-representation of women in politics, including mainly the time required for travel to and participation in meetings.

<sup>33</sup> Marie Thesbjerg, Women are Invisible in Local Governance (report for the Danish Ministry of Foreign Affairs, available at <http://www.missionthimphu.um.dk>).

## **IMPACT OF ACCESSION ON POLICIES WITH A GENDER DIMENSION**

The Royal Government of Bhutan explicitly aims to ensure that economic development fits within a sound social and environmental framework. Thus, despite the fact that there is no specific mention of women and children in their proposals, there is a conviction to maintaining certain trade barriers in hopes of achieving a balanced development.

Overall, there is little in the reported status of particular WTO commitments to be made by Bhutan that would indicate an immediate or unavoidable concern for a worsening of gender relationships, and there are several indications that if true, could allow for the Government to further pursue improvements in gender relationships from within the WTO.

As Bhutan shares more than 85 per cent of its trade relations with India alone, supported by an existing Free Trade Agreement between the two countries, implemented since 1949, the accession of Bhutan into WTO is not expected to result in any paradigm shift in the trading patterns of the country. Therefore, the competitive conditions for Bhutanese women will not be altered significantly to at least in the short term.

There are, nevertheless, some aspects of Government policies that are of potential gender significance that can be pointed out. First and foremost, it must be noted the observation-based evidence by various studies that the modernization of Bhutan's economy and the consequential urbanization of increasing numbers of Bhutanese families is leading to greater disparities in gender relations than existed traditionally. While the traditional Bhutanese culture permitted equal roles for men and women and a relatively high value on women as members of society and the economy as well as in the home, new economic forms are bringing with them a turn to less sharing of household duties, fewer opportunities for women to gain equal employment, and a rise in domestic violence and the threat of sex trafficking.

Specific to WTO accession, Bhutan could make the best use of flexibilities available under AoA to its advantage including the use of green box domestic support measures and the development-directed input subsidies etc.

Moreover, the absence of a safeguard regime, although rights have been reserved, is a potential threat to women in Bhutan. Should accession bring about unexpected levels of competition in the short term, women or their husbands may lose their source of income. The existence of a safeguard scheme, in accordance with Article VI GATT and the Safeguards Agreement, would provide a measure of protection from such an occurrence.

The limitations on foreign investment in areas such as banking and tourism may limit the opportunities for women in Bhutan to benefit from the greater openness, as foreign investors in these areas would likely be able to employ women at an equal rate as men. Thought could be given to a cautious increase in the scope for foreign activity in these sectors.

There are, however, also several potential consequences that will be positive for women that need to be recognized. Given the existing level of equality and absence of social norms limiting women's participation in the economy, the increase of trade and resultant employment possibilities to be expected with WTO accession should give women more opportunities to engage in the economic development of the country and enhance their own standards of living.

The creation of standards bodies necessary to fulfilling Bhutan's obligations under the SPS and TBT agreements may offer women in Bhutan qualitatively high-skilled employment, as jobs in these areas will have to be created. With sufficient attention devoted to the education of girls and women, the Government can profit from the new employment possibilities in a manner that promotes gender equality.

The Government's restraint in limiting subsidies programmes in both goods and services will allow for particular funding to be extended to support women's production and training efforts.

#### **RECOMMENDATIONS**

While there is no specific information available as to what the Government is planning to do for women to ensure their well-being in the face of liberalization, one suggestion would be to ensure that Bhutan takes a horizontal specific commitment limitation on both Market Access and National Treatment in its GATS list to allow for gender-specific programmes/incentives.

Another strong recommendation is for the Government of Bhutan to reinforce its values of approaching sustainable development from an environmental perspective. Having emphasized the conservation of natural resources, the Government is encouraged to maintain its primary commitment to the social and environmental context of the population, foregoing economic opportunities that would compromise the natural or cultural resources of its people. Given Bhutanese women's often direct benefits from a clean and intact environment, as well as their potential profiting from the eco-tourism sector, environmental protection is in their long-term interest.

Finally, the Government is encouraged to communicate its high valuation of gender equality directly to its people. Given the current weakening of the traditionally strong equality of men and women, Bhutan should strive to make the growing inequality in gender relations a topic of public discussion. In particular, the Government might consider programmes that would cater to women and men in urban areas to shed light on the types of changes taking place and to examine the causes, in an awareness-raising exercise. In the rural areas, programmes to train women and girls in decision making and leadership could help reverse the perception of females as inherently unable to lead outside of the home.



## V. CAMBODIA

Cambodia is situated between Thailand, the Lao People's Democratic Republic and Viet Nam, with approximately 13 million inhabitants. Although hit by the Asian economic crisis in the mid-1990s, Cambodia's economy has resumed its growth since the later years of that decade. Major exports include fish, rice, rubber, wood, and textiles and garments, while tourism is another main contributor to the economy. Arable land only makes up approximately 20 per cent of Cambodia's territory, and although a sizable portion of the population is still employed on small farms, the textile industry and tourism are more significant contributors to trade. Since 2005, oil and gas deposits in Cambodian territorial waters have also caused foreign investor interest, as does mining of minerals, gold, and gemstones.

Unemployment is a major threat to further economic development. A large population of young people is entering the labour market each year (estimates of over 3 per cent growth in the labour market per year), making employment difficult to find. For the less qualified, downward pressure on wages and working conditions could be the result.

Culturally, the large majority of Cambodians are Khmer, and Khmer has replaced French as the official language. Buddhism is the main religion, with only a small minority of the population practicing either Islam (3 per cent) or Christianity (2 per cent).

### **ANALYSIS OF TRADE POLICIES AND REFORM ADJUSTMENTS FOR ACCESSION TO WTO**

Cambodia requires that importers or exporters be companies registered before they engage in commercial activities. At present, any legal person can register and be an active importer (and exporter, if so registered), regardless of nationality, as long as the fees are paid and the requisite documentation to prove the legitimacy of the company is provided. The apparent ease of the registration process may benefit female entrepreneurs in Cambodia, as they will be able to start their import/export activities more readily. At the same time, the opening of registration to foreigners does subject the Cambodians to greater competition.

There are currently four tariff bands, from 0 to 35 per cent, with the simple average being around 15 per cent. With an effort at lowering tariffs, the Government is contemporaneously increasing excise taxes to ensure the revenue neutrality of its actions. The recognition of the need for extra Government revenue sources to compensate for lost moneys coming in as tariffs is very positive, in particular for females. Given the heavy reliance of many females on Government-provided services, the maintenance of Government financial intake is of great importance.

At the time of its accession to WTO, Cambodia did not have any trade remedies legislation in place. Thus, in the face of unfair pricing or sudden increases of foreign products, the Cambodian Government had no anti-dumping, countervailing, and safeguard charges available. While it retained the right to implement such legislation, it obliged itself to be in conformity with WTO rules, should it choose to do so. Given the limited possibilities of blocking trade from WTO members once membership is accepted, the lack of protective trade legislation is a potential liability for Cambodia's producers, including female entrepreneurs. The dangers of import surges is less threatening to the female employee, as the large majority are working in the export-sector, where the competition will be external to the country.

## PLACE OF WOMEN IN SOCIETY AND IN THE WORKFORCE

Cambodian women face numerous social and economic disadvantages, and are among the least well situated in comparison to their male counterparts in the region.<sup>34</sup> The majority of Cambodian women are less educated than men in the country. Although 82 per cent of Cambodia's women are in the labour force, making up over half of the labour force in the country, only 14 per cent of these women are employed in the formal economy – mostly in the garment industry. There is a significant wage gap as well (women's wages are estimated at 30-40 per cent below those of men), only in part due to the educational gender gap, despite the legal anchoring of gender equality in the Constitution of 1993.<sup>35</sup>

Cambodia's long war has left it a society with particular difficulties for women, even outside the employment sphere. In addition to creating a large number of war widows, civil conflict and the ensuing militarization of the country also led to an increase in prostitution.

While female-headed Cambodian households make up approximately one quarter of all households, social beliefs scorn husbandless women.<sup>36</sup> These households, the majority of which are in rural areas, also suffer from disadvantages such as exclusion from international and local food aid efforts, due to an inability to access such programmes, and often only survive by the contributions of child labour to the family income. In the latter, it is significant that girl children represent the majority of child labourers in both female- and male-headed households, but they are used more frequently (60 per cent) in female-headed households than in male-headed households (48 per cent).<sup>37</sup>

The status of women in traditional Cambodian households was often marginalized. This not only leads to the exclusion of the girl-child from education but limits the employment possibilities of women, as having a higher-status job would make marriage more difficult.

In the private sphere, Cambodian females work longer hours than males, are more likely to face malnutrition and other health problems, have little control over common property or other resources, and are rarely involved in decision-making (even on decisions relating to whether or not they should seek employment and on how to use their earnings). Domestic violence is a significant problem highlighted by gender organizations in Cambodia, as is the increasing risk of HIV infection involving transfer from husband to wife.<sup>38</sup>

Politically, Cambodian women are underrepresented at all levels of Government. In the legislature, both national and local Government bodies are overwhelmingly male, although elected female officials tend to participate actively within their bodies.<sup>39</sup> Women are even more unequally represented in the judicial branch, where very few are judges. The administration also displays gender inequalities, with women not only in the minority but in positions without significant decision-making power, or even possibilities of promotion.

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<sup>34</sup> Royal Government of Cambodia/UNDP, Partnership for Gender Equity at p. 5 (2004) (reporting that the gender empowerment measure is low relative to other Asian countries, and that there is a high gender inequality level compared to other Asian countries).

<sup>35</sup> Partnership for Gender Equity at 6.

<sup>36</sup> A Fair Share for Women, at 22.

<sup>37</sup> A Fair Share for Women at 28.

<sup>38</sup> Gender and Development for Cambodia Organization, Gender Scoreboard (March 2005) (available at <http://www.online.com.kh>). A Fair Share for Women (p. 25) also notes the correlation between economic gender-role reversals and domestic violence. Frustration over what is perceived as "a violation of gender norms" that arises from increased female economic power may result in attacks on the women by their partners.

<sup>39</sup> See Sangh Mittra and Bachchan Kumar, *Encyclopaedia of Women in South Asia* (Bhutan) 93, 103 (Delhi: Kalpaz, 2004).

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## **IMPACT OF ACCESSION ON POLICIES WITH A GENDER DIMENSION**

The fact that Cambodia's Government explicitly addressed the revenue effects of tariff reductions, and planned to recapture the lost moneys through excise taxes, is a positive sign for citizens. The Government, it seems, is not going to let itself be forced to cut back on social spending as a result of liberalization of tariffs.

The Government also defended itself against calls to eliminate export subsidy schemes entirely by relying on Article 27 of the Subsidies Agreement. Here, Cambodia demonstrated again its dedication to ease the potentially negative competitive effects for its producers.

On the other hand, the lack of safeguard legislation is a cause for concern particularly for Cambodia's female farm workers. If faced with large increases in supplies of imported foodstuffs, they may fall from subsistence farming to poverty. The same threat holds true for women in small businesses, given the lack of antidumping and countervailing duty regimes.

Cambodia planned to be in complete compliance with the TBT and SPS Agreements by the beginning of 2008. The transition period allowed for the establishment of inquiry points as well as adjusting its standards and regulations to conform to the latest scientific findings and developing the technical capacity to implement the laws.

Cambodia has no free trade zones or such special economic zones at present. Legislation was being considered at the time of accession to permit the establishment of such areas in accordance with WTO rules.

In the area of intellectual property protection, Cambodia's accession working party report displays no particular problems, although much of the protection required by TRIPS necessitated new legislation (geographical indications, plant variety protection, layout designs of integrated circuits, trade secrets, and laws on enforcement procedures). The planned protection of geographic indications has been legalized, which will now allow producers in Cambodia to gain special protection.

Cambodia's plans for service liberalization display minimal protections for domestic services and their suppliers, although commitments are not widely taken. Most sectors listed have no limitations on either market access or national treatment in modes 1-3, although mode 4 is unbound. Nevertheless, there are some benefits for national services. To note here are several: first, investors that hope to benefit by incentives contained in the Law on Investment will have to train local staff members and include them in higher positions; and the limitations on national treatment, including restrictions on land ownership by foreign companies and on the maximum number of foreign workers in a particular sector remain. More particularly, in financial services, commercial banking activities are permitted on a non-discriminatory basis, although cross-border banks that take deposits from Cambodians must reinvest the moneys in the country. Micro-financial institutions, according to the Working Party Report are untouched by the liberalization, and can continue using their services to assist low-income enterprises and individuals.

## **SAFETY-NET PROGRAMMES FOR WOMEN**

The Government has plans to establish special training programmes for employees in certain industrial sectors. While light industry and food processing are areas where women can be expected to take jobs in large numbers, the Government only specifically mentioned plans to erect training institutes for petroleum and mining. Consideration should be continued with particular attention given to further training in those areas where a larger proportion of women could benefit, as well as in the designing of programmes to attract women to traditionally male sectors of industry.

## **RECOMMENDATIONS**

Where Cambodia has not already taken specific commitments on services, the Government should take advantage of the flexibilities of the GATS commitment structure to limit each committed sector's market access and national treatment obligations to allow for gender-specific programmes/incentives.

Anti-dumping and countervailing duty legislation should be introduced, as should safeguard legislation, along with an information campaign to notify women farmers and small business owners of the procedures surrounding the use of such laws.

While the availability of export subsidies rests on Cambodia's status as an LDC, they should be analysed to particularly support female entrepreneurs who have few other options for financial resources needed to take advantage of the increased trading opportunities stemming from WTO accession.

Legislation for special economic zones should include specific minimum standards on labour conditions, in order to ensure that women employed in the enterprises located there enjoy a safe and healthy workplace, adequate wages, and decent employment conditions. Special attention needs to be given to the special needs of women in child-bearing years. Further protections against discrimination based on civil standing and age are essential. Finally, the Government should allow specifically for unionization of labour forces within such areas, and enforce these rights strictly.

## VI. CAPE VERDE

The islands of Cape Verde are varied in their geographic features. While several of the 10 islands have sandy desert conditions, others are mountainous, and one has an active volcano. Subject to droughts, Cape Verde faces water shortages that could threaten future possibilities of economic growth, and has already led to a large number of emigrants to the United States, Western Europe and coastal Africa.<sup>40</sup>

The economy of Cape Verde is heavily based on small farm agriculture, including fruits and vegetables, corn, beans, coffee and sugarcane. The limited extent of arable land, however, keeps the state a net importer of foodstuffs, and estimates of the amount of GDP due to agriculture range around 10 per cent.

Manufacturing activity is also a small part of the economy, contributing less than 20 per cent to GDP in 2000<sup>41</sup>. Industries on the islands include shoe and garment production, food processing, beverage production and tobacco.

Services, in particularly tourism and the related transportation sector, as well as construction services, are the most significant sector of the economy, and they continue to be quickly growing in economic importance to Cape Verde. Over 70 per cent of Cape Verde's income generation stems from services in the private and public sectors.

A final and important source of income is remittances from expatriated Cape Verdeans. Unusually large, the number of Cape Verdean citizens living abroad nearly equals the number remaining on the islands. These émigrés have sent moneys back to the country in amounts of approximately \$143 million, or over 10 per cent of GDP in 2006.<sup>42</sup>

Of the problems facing Cape Verde, unemployment is the most apparent.

Culturally, Cape Verde is a largely Roman Catholic society. A mixture of West African and Portuguese influences, the citizens of Cape Verde identify most strongly with their particular island, the more northern of which are more heavily influenced by the Portuguese colonizers, and the more southern with African neighbours.

### ANALYSIS OF TRADE POLICIES AND REFORM ADJUSTMENTS FOR ACCESSION TO WTO

Cape Verde is a member of WTO, having formally completed its accession process in 2008. The publicly available documentation of Cape Verde's obligations to WTO set forth a wide range of commitments in goods, services and intellectual property protection. The Accession Report gives no particular attention to the protection of women in the liberalization process, although the Government of Cape Verde has an explicit policy of promoting equality.

In the area of trading rights, Cape Verde changed its regime of requiring importers to have a branch presence, minimum capitalization, and a warehouse in its territory, and adjusted the commercial licensing fees and registration requirements in order to be in conformity with WTO obligations. These moves could lead to fewer jobs as well as less governmental revenue, with

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<sup>40</sup> Yves Bourdet and Hans Falck, Emigrants' Remittances and Dutch Disease, 20:3 International Economic Journal 267 (September 2006) (available at <http://virtualcapeverde.net>).

<sup>41</sup> Figures vary, with one source estimating the 2004 contribution of industry at 16.4 per cent GDP. [www.appliedlanguage.com](http://www.appliedlanguage.com)

<sup>42</sup> Cape Verde, in Dilip Ratha and Zhimei Xu, Migration and Remittances Factbook (World Bank) (available at [www.worldbank.org/prospects/migrationandremittances](http://www.worldbank.org/prospects/migrationandremittances)).

detrimental impacts on women dependent on either the employment or the governmental services financed through such revenue.

On customs matters, Cape Verde had already adopted the Harmonized System 2002 nomenclature, and agreed to further update their rules to be compatible with the Harmonized System 2007. With seven tariff bands, Cape Verde's tariffs range from 0 to 50 per cent. The average import duty is now only 12.3 per cent, following reductions in 2004, and as a member of the Economic Community Of West African States (ECOWAS) and of free trade agreements with Angola, Guinea Bissau, Mozambique, and Sao Tome and Principe, preferential rates are offered to these partners' imports. Tariff exemptions are also offered on selected items, mainly to encourage the development of the tourism and transportation sector. There are no tariff quotas at present. The tariff adjustments for WTO promise to be beneficial for women, although the post-accession lowering of the average duty will deprive the Government of significant revenue. At the same time, all efforts to stimulate the tourism sector hold the possibility of disproportionately advantaging women, as that is generally a female-dominated sector.

There are no current laws for addressing dumping or for countervailing subsidies. There is safeguard legislation, although Cape Verde reports that it is further developing its safeguard regime.<sup>43</sup> The most important issue here for gender concerns is the safeguard regime. Further development of this is to be welcomed, as it should provide for protection from excessive competition. If the procedures for initiating safeguard investigations are well-explained to the business community, the laws may be very useful in shielding Cape Verde's female entrepreneurs from economic difficulties.

Exporting activities are mainly free from restriction in Cape Verde. While exporters must register and receive a license, there are no quantitative restrictions on goods, with the exception of endangered species. Neither are there export financing programmes available through the Government. The free exporting possibilities are of great benefit to women in particular, as they tend to be owners of smaller businesses that would otherwise need to spend disproportionate human resources on securing export permits. The lack of export financing is unfortunate, particularly for small enterprises owned by women, who may not have the same financial assets available as their male counterparts.

At the same time, there are some export subsidies granted to assist the development of national industry. These subsidies, however, do not require producers to use minimum levels of domestic content to be eligible for payments.

Other Government programmes are considered "incentives", granting beneficial access to capital or credit, subsidies, or allowing for tax exemptions. Some of these incentive programmes, such as that for fisheries, were limited to nationals, while others use the criteria of contribution to economic development for determining qualified recipients.

There are no technical regulations for goods in Cape Verde at this point. Health standards, however, do exist, although the member will require some time and technical assistance (Art. 9 SPS) to fully come into compliance with its WTO obligations.

For producers characterized as "free enterprises", there are certain tax exemptions that will be lifted by 2010. Presently, there are five such enterprises, operating in shoe and garment industries, each benefiting from tax-exempt profits and dividend distributions, relaxed regulations on the declaration of capital gains, tariff-free imports of raw materials, and tariff-free exported products. Further, these enterprises could hire foreign workers.

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<sup>43</sup> WT/ACC/CVP/30, para. 143.

Government procurement policies of Cape Verde followed internationally recognized procedures, with no preference given to local bids.

The Government of Cape Verde assists farmers by permitting some inputs to be imported tariff-free, and also uses green box subsidies to help develop agriculture, forestry management, and other environmental areas of need.

Textiles exports benefit from preferential access to United States, Canadian and European markets.

In services, Cape Verde's liberalization and privatization, begun in the 1990s, were made into obligations through market access and national treatment commitments in service sectors. Although varying somewhat in the limitations placed on market access in particular (mainly in modes 1 and 4), the commitments will provide for substantial protection for foreign service providers.

Price controls on staples (rice, sugar, corn and wheat flour, for example) set forth a maximum price for these foodstuffs. The effect should be one of protecting consumers, and as such form a moderate safety zone for women as the main nourishers of families.

#### **PLACE OF WOMEN IN SOCIETY AND IN THE WORKFORCE**

A World Bank gender profile of Cape Verde suggests that the higher economic development than other sub-Saharan African countries has some benefits for the women of this society. While there is a significant gender gap in literacy (while male literacy is over 80 per cent, the percentage of females that can read is approximately 64 per cent), there are few highly educated males or females and the number of women professionals is increasing.

Legally, Cape Verde's female population also enjoys a minimum of legal protection. There are legal protections of women's rights based in the Constitution, including provisions for equality in property rights, and prohibitions against sex discrimination in employment and political activities. There are even women in positions of political authority, both in the legislature and in the executive branch.

The implementation of women's rights for many women, however, often lags behind the law, and discrimination continues to affect women in the public sphere, and more especially in the private sphere. Women generally are paid less for the same work, and with a high level of male emigration, are often burdened with significant unpaid labour tasks in the home.

The high level of female illiteracy that may be most damaging to women's long-term prospects in Cape Verde.

#### **IMPACT OF ACCESSION ON POLICIES WITH A GENDER DIMENSION**

Cape Verde is already a member of WTO. Its July 2008 membership, however, is too recent to make conclusive statements about the impact of its membership on the islands' women. The following, therefore, is an analysis of what might be, rather than being based on governmental assessment of what has actually happened.

If accession to the WTO increases the employment opportunities for both women and men in Cape Verde, the benefits of membership will be significant, given the significant levels of unemployment on the islands.

One potential problem promises to be the reduction of revenue that will be a direct result of market access liberalization. With one third to one half of the Government's budget stemming from

tariffs and import licenses, liberalization will need to be compensated for in other areas to enable the Government to continue to cover its costs. Any resulting shortfalls hold the threat of disproportionately harming women, as Government social spending forms a large part of the budgetary outlay in Cape Verde.

#### **RECOMMENDATIONS**

In view of Cape Verde's position as a WTO member, the suggestions for protecting the female population are limited to what the Government can do *as a member*.

First, given that the Government hopes to develop its strengths in service sectors such as tourism and offshore financial services, where women are likely to be employed in large numbers, it would be advisable to carefully craft any further commitments to market access or national treatment in those sectors to ensure that gender-specific Government incentives are permissible and that investment in these sectors by foreign suppliers can be conditioned upon the training and promotion of women within the companies.

A second measure to be given consideration is that of encouraging the implementation of the TRIPS obligations in the areas of protecting traditional knowledge and traditional designs. The capabilities of the women of Cape Verde in producing handicrafts incorporating elements of local culture could be profitably marketed if intellectual property protections are well implemented.

## **VII. ETHIOPIA**

Ethiopia is an LDC, bordered by Djibouti and Somalia to the east, Kenya to the south, Sudan to the west and Eritrea to the north. Ethiopia is Africa's 10th largest country, covering a land area of 1.14 million square kilometers with a population of 73.9 million (2007/2008 census), ranking it the third most populous country in Africa.

Its economic growth and development are intrinsically linked to the development of its agriculture sector, as the country is highly dependent on the sector for income, employment and export earnings. The agricultural sector is dominated by smallholders and contributes on average 45 per cent to GDP. It serves as a primary source of income for over 85 per cent of the population and accounts for on average 8 per cent of total commodity exports. The sector also supplies factor inputs to the country's manufacturing sector, which contributes about 45 per cent of the country's GDP and about 62 per cent of total exports.

Coffee, a major cash crop, contributes about 62 per cent of total agricultural exports. Manufacturing, mining, trade, tourism, construction, services, etc, which make up the remaining 55 per cent of GDP, supplement agriculture. Industry contributes only 16 per cent to total exports and is mainly concentrated on food processing, textiles and leather production, chemicals and metal. The services sector mainly employs Ethiopians of the urban centers.

Ethiopia has a long-standing history, with rich cultural heritage. Its peoples are ethnically, linguistically and culturally diverse.

### **ANALYSIS OF TRADE POLICIES AND REFORM ADJUSTMENTS FOR ACCESSION TO WTO**

Ethiopia submitted its application for membership to WTO in accordance with Article XII of the Marrakesh Agreement establishing WTO. Subsequently, Ethiopia submitted a Memorandum on its Foreign Trade Regime to the WTO secretariat on 25 January 2007.

Ethiopia has adopted a free market economic policy since 1992 and has implemented a number of reforms including the privatization of State-owned enterprises, liberalization of foreign trade, deregulation of domestic prices and devaluation of the exchange rate. The long-term development objective of the Government is to enhance the welfare of the people through ensuring sustainable growth with a full market economic system. In this regard, the country's trade policy aims at creating a competitive economy driven by the private sector.

The envisaged development objective is, therefore, built on the strategy called Agricultural Development Led Industrialization. This strategy aims at improving agricultural production and productivity as a basis for improved income and living conditions for the smallholder farming population, and as a source of improved export earning. It is also envisaged that improved farm income would generate sufficient demand for industrial goods, thereby promoting dynamism and inter-sectoral linkages.

### **PLACE OF WOMEN IN SOCIETY AND IN THE WORKFORCE**

The rights of women in Ethiopia are guaranteed, as enshrined in the Constitution which embodies the basic articles on the rights of women. To this effect, Art. 35(1) guarantees the enjoyment of all the rights and protections provided therein by women on the basis of equality with men. Federal and State legislators have also enacted laws and regulations to enforce its provisions.

Another big measure towards the guarantying of the rights of women, was the enactment of the Revised Family Code, ( Proclamation No. 213, 2000), which gives equal treatment for women in the area of marriage, divorce, property rights and raising of children. The law has gone a long way in

abrogating traditional practices which harm women. Further legal reforms, including the revision of the Revised Federal Criminal Proclamation was adopted in 2004. Several provisions seeking better protection for women are included in it.

Accordingly, women have the right to take part in the conduct of public affairs, directly and through freely chosen representatives, the right to vote and to be elected to any level of the Government.

A major step taken by the Government in safeguarding the rights of women is the establishment of a Ministry of Women's Affairs under the Prime Minister's Office, which is responsible for woman affairs. As a result, the Ministry of Women's Affairs has opened up branch offices within all Government organs and implemented affirmative action policies for the employment of women in the civil service administration.

A National Women Policy was adopted in 1993. A gender policy was incorporated in the Plan for Accelerated and Sustained Development to End Poverty for the period 2005–2009/10. The Government has taken several measures to implement the National Women's Policy for the realization of *de facto* equality between men and women in the political sphere. The National Action Plan for Gender Equality, which is currently being implemented, includes the attainment of equality between men and women in the political arena as one of its goals.

In the area of women and development, several small-scale packages and micro-finance projects have been adopted to enhance the welfare of woman. One of the main objectives of the Ethiopian Woman Development and Change Package is to enable women to have equal political participation and decision making power at each level and to enable them to become active participants and beneficiaries in the democratic system and national development.

The Government has been taking steps at different levels to enable women to attain economic freedom and increase their numbers in the education sector. The Federal Civil Service Proclamation prohibits discrimination among job seekers in the civil service on the basis of sex. It stipulates that the selection of a candidate for vacant positions will be on the basis of merit. This, as well as other measures taken to enhance employment opportunities for women, has resulted in a significant increase in the number and proportion of women in the formal employment sector.

Significant achievements in improving access to education and health have been made. Gross enrollment rate for women in primary education at national level shows a marked improvement in 2008/2009. The enrollment of women has reached 94.2 per cent in primary education; 37.1 per cent in secondary, and 29 per cent in higher education. However, female enrollment is still far less than their male counterparts.

Ethiopia ranks third among African countries in the number of women parliamentarians. The Government has committed 30 per cent of seats in the parliament for women. The Women Affairs Standing Committee in the House of People's Representatives actively participates in the legislative process.

Although various measures are being adopted by the Government to improve the conditions of women in Ethiopia, there still remain many problems, mostly related to long-held traditional practices and lack of awareness by women, which hinder the full enjoyment of the rights of women. The attainment of these rights has been difficult due to barriers related to illiteracy and poverty, low self-esteem, low education and training in addition to discouraging cultural practices.

#### **IMPACT OF ACCESSION ON POLICIES WITH A GENDER DIMENSION**

No information available.

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## RECOMMENDATIONS

Because the main difficulties facing women in Ethiopia appear to be firmly based in traditional attitudes and practices, the Government may be able to support and improve the lives of women through greater openness to foreign trade. To make that possible, it is essential that the Government make the promotion of women's *de facto* equality a priority. Among the important steps in this direction is by encouraging the education and training of girls and women so as to prepare them for productive contribution to the economy. It may also provide for more Government-sector employment for women, whether through affirmative-action hiring or through targeted recruitment. Such employment, if coupled with real decision-making authority, would allow more voice to be given to women's perspectives and a greater awareness of issues of importance to women. These leaders would also serve as role models for females and males in the rest of society, demonstrating the ability of women to contribute to the political and economic life of the country.

While there is no specific information available as to what the Government is planning to do for women to ensure their well-being in the face of liberalization, one suggestion would be to ensure that Ethiopia takes a horizontal specific commitment limitation on both Market Access and National Treatment in its GATS list to allow for gender-specific programmes/incentives.



## VIII. IRAQ

Surrounding the Tigris and Euphrates Rivers, Iraq is a country of mountains and river plains, as well as the vast area of desert west of the Euphrates. The current war and the political turmoil of the last two decades has put the country in a difficult cycle of economic, political and social struggle.

The economy of Iraq is heavily dependent on petroleum, with oil and natural gas consistently constituting over 95 per cent of Iraq's exports. With reserves estimated to be the second largest in the world, Iraq's dependence on fuel appears to be long-lasting. While this sector promises large profits, it is highly dependent on world prices, which have been sinking since their high in mid-2008. The sector is also capital-intensive, offering jobs to less than 20 per cent of the labour force.

Agriculture is relatively unimportant economically, contributing only 5 per cent of GDP, but the population has traditionally relied on farming and herding, and the sector still employs about 16 per cent of the labour force.

Iraq's service industry is the main employer, with approximately two thirds of the labour force working in services. Banking services have been privatized, and competition for the domestic market is beginning. The telecommunications sector has been growing rapidly, as has demand for private security services. Tourism, once a vibrant sector, has been inactive since 2003, although a return of peace could once again revive interest in travel to the many sites of historic and cultural interest.

Unemployment in Iraq is a problem, with estimates of 30 per cent unemployment among 15–24 year olds (2006). The substantial grey and black markets, however, may make the official employment figures unreliable.

Culturally, the Iraqi population is mainly Arab, with a substantial Kurdish minority. It is mainly Muslim, with a small number of Christian or other religions in the country.

### **ANALYSIS OF TRADE POLICIES AND REFORM ADJUSTMENTS FOR ACCESSION TO WTO**

No information available.

### **PLACE OF WOMEN IN SOCIETY AND IN THE WORKFORCE**

Women in Iraq enjoyed a growing integration in both the economic and political life of the country under the republican legal system (1958), which encouraged not only the legal equality of women, but also their practical integration into public life. Education, including adult training, political leadership roles for women, and the passage of female-protective labour laws led to a significant increase in the number of women working in the private and governmental sectors.

Since 2003, Iraqi women face the disadvantages of rising religious fundamentalism in addition to the security threats accompanying the war. The war against international terrorism and the terrorist operations which have devastated Iraq have widowed or orphaned tens of thousands of people, and added to the burdens of women. Nevertheless, a number of positive achievements have been scored with regard to the enjoyment of women's rights. In particular:

1. An institutional structure has been established to deal with women's and family issues. This structure includes the Ministry of State for Women's Affairs, the Parliamentary Committee for Women and Children and the Department for Welfare of Widows and Divorcees, which is part of Ministry of Labour and Social Affairs.
2. A legal structure has been developed which reflects the principles of equality set out in the Constitution and also in subsequent legislations such as the Nationality Act, which eliminated

the discrimination that used to exist between women and men with regard to the right to transmit nationality to children. Moreover, special measures were put in place to facilitate women's participation in national decision-making; a quota of not less than 25 per cent was established for women in the Parliament and in governorate-level assemblies.

3. The Government introduced a policy on the advancement of women which led to the establishment of the Department of Community Policing to deal with violence against women and efforts to care for and rehabilitate women victims of violence.

4. A social security policy for women was also introduced to include a large number of groups in the social welfare network (as of the end of 2008, 86,095 widows, 2,939 divorcees and 1,114 women refugees in Baghdad). A microcredit scheme designed to improve the women economic status and to make small businesses in order to maintain their families.

MDGs indicators:

- Reading ability among 15-24 –year-olds: 83.9 per cent in 2007;
- Ratio of girls to boys in primary education: 88.0 per cent in 2007;
- Ratio of girls to boys in secondary education: 75.0 per cent in 2007;
- The seats held by women in national parliament: 27.3 in 2006 and in 2010;
- Proportion of women in the 15-24 age group who can read: 65.6 in 2006.

The 2005 Iraqi Constitution guarantees gender equality before the law, equal rights of political participation for men and women, and the right to own property, as well as establishing a right to social security, health care, and primary education.

#### **IMPACT OF ACCESSION ON POLICIES WITH A GENDER DIMENSION**

No information available.

#### **RECOMMENDATIONS**

While there is no specific information available as to what the Government is planning to do for women to ensure their well-being in the face of liberalization in the context of the country's accession to WTO, one suggestion would be to ensure that Iraq takes a horizontal specific commitment limitation on both Market Access and National Treatment in its GATS list to allow for gender-specific programmes/incentives.

The economy's very heavy reliance on oil and gas does not accommodate the interests of women to any great extent. Drawing upon lessons applicable to similarly energy-dependent economies, one suggestion to ensure a gender-balanced WTO accession result would be for the Government to strive to diversify production. As women are often most trained in service sectors, a particular emphasis should be given to a controlled liberalization of sectors such as financial services, professional services, higher educational services and tourism.

## IX. KAZAKHSTAN

Kazakhstan is one of the largest central Asian countries, lying between the Russian Federation and China. Landlocked, the country borders the Caspian Sea in the south-west corner, while much of the central, northern, and eastern regions are characterized by fertile steppes and forests. The Kysylkum Desert in the south-east and the high mountains along the southern border add to the diversity of the geography of the territory.

The Kazakh economy is largely dependent on oil and gas production, and the recent pipeline although other natural resources and a growing machine-building sector also contribute substantially to GDP. Because the extractive industry is capital-intensive, growth in GDP has not led to significant reductions in poverty.

Although arable land accounts for less than 9 per cent of the territory, agricultural production is significant, and nearly one third of the working population is employed in this sector. Wheat is the main crop, and Kazakh exports most of its produced 22 million tons annually, making it one of the largest global suppliers. Cotton and livestock also contribute to agriculture's portion of over nine per cent of annual GDP.

An area of growth for the past decade, the banking sector has become the most developed in the Commonwealth of Independent States (CIS). Domestic and foreign banks compete for customers, but the country is still considered underbanked, with a substantial potential for increases in both consumer lending (including mortgages) and small business loans. Other financial services are developing as well, although insurance remains less developed than the stock market, and the global financial crisis will have as-yet inestimable effects on the entire financial service sector, due to considerable foreign exposure.

Unemployment, particularly in rural areas is a problem, and a general decline in infrastructure characterizes much of the country's social landscape. An increase in the percentage of the rural population working in agriculture (and a large number of them self-employed<sup>44</sup>) is a symptom of the employment difficulties in the countryside.<sup>45</sup>

Low and falling rates of labour productivity are another difficulty facing the Kazakh Government.<sup>46</sup> Shrinking health and education sector expenditures, a lack of technology in sectors of the economy besides minerals and oil, and difficulties in accessing capital contribute to this phenomenon.

Culturally, the population is mainly Kazakh and Russian (together over 80 per cent of the population), with minorities of other, mainly central Asian, ethnicities represented as well. While Islam is the religion of most Kazakhs, Christianity is nearly as commonly practiced.

### ANALYSIS OF TRADE POLICIES AND REFORM ADJUSTMENTS FOR ACCESSION TO WTO

Kazakhstan submitted its application for WTO membership in January 1996.

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<sup>44</sup> Asian Development Bank, Kazakhstan: Country Gender Assessment 30 (May 2006) (among women working in agriculture, 64 per cent are self-employed) (available at <http://www.adb.org/Documents/Reports/Country-Gender-Assessments/cga-kaz.pdf>) (hereinafter, ADB - Kazakhstan).

<sup>45</sup> ADB Report – Kazakhstan, at 27.

<sup>46</sup> ADB Report – Kazakhstan, at 27-8.

Kazakhstan's trade policies are based broadly on the principles of non-discrimination and market access, although there are allowances for State trading enterprises that allow their continued operation.

In the area of market access, *ad valorem* tariffs range from zero to 30 per cent, with the majority of tariff lines bound at 10 per cent or less. For a small number of tariffs, specific rates are applied, some substantially higher than the average rate. Quantitative import restrictions were exceptional, banning or limiting only specific types of goods or services that are considered threats to security or against the public interest (such as narcotics and pornography).

For exports, certain export duties are applied, in particular for petroleum products and for iron and steel scrap, wools and skins, while quantitative restrictions applied to exports of various wood products. While the duties have the primary aim of supplying Government revenues, the restrictions are mainly for environmental protection.

Kazakhstan's subsidy policy encompasses preferential loans, tax preferences, and tariff relief for the importation of equipment and parts. Available to all companies operating out of special economic areas, such preferences are also available to certain sectors, including petroleum and automobile manufacturing. A growth-stimulating fund for small and medium-sized enterprises (SMEs) offers the possibility for such SMEs to apply for credit through certain commercial banks, which were given funding by the Government.

Services trade in Kazakhstan has become more voluminous and significant for the nation's economy over the last decade, accounting for an average of half of GNP. The contribution of foreign service suppliers is significant, in particular in construction and business sectors. In relation to WTO accession, Kazakhstan's Government reportedly is intending to continue liberalizing services sectors, ensuring an increasing national treatment of foreign suppliers and easing access to the domestic market, including in the currently low-competition area of telecommunications services.

Intellectual property right protection has also been strengthened in view of WTO accession. Copyright, trademark, geographical indication, patent, plant variety, integrated circuit layout and *ex officio* customs border protection is in place. Legal measures also exist to enforce intellectual property laws, with civil, administrative and criminal remedies available.

## **PLACE OF WOMEN IN SOCIETY AND IN THE WORKFORCE**

Economically, the privatization of productive enterprises and the reduction of State support for citizens led to employment layoffs, reduced social services and a general instability for Kazakh workers. The effects of such changes have had a particularly harsh impact on women. Women are more likely to live in poverty than men, are more likely to be unemployed by men, and when they work, earn approximately 40 per cent less than men.

While much of the gender gap occurs because economic growth is occurring in the male-dominated extractive sector, the size of the gap, particularly given the higher level of education enjoyed by Kazakh females over males, is a cause for concern. Employer reluctance to hire women seems to stem from a combination of stereotypes and the traditional role of women as child-caregivers. With the dismantling of the Soviet-era public childcare institutions, more women are faced with balancing paid labour with familial duties. The long-term effects of the lower status of women in the workforce is an additional threat to older women, as retirement benefits to women (who make up nearly 70 per cent of the Kazakh pensioners) are lower as well, placing the recipients in danger of falling into poverty.

While some women become self-employed, access to capital for investment is difficult, and returns are low. The recent financial downturn has affected supplies of credit severely, threatening further women's opportunities to succeed in business enterprises.

According to an Asian Development Bank (ADB) report, the economic declines since the beginning of the transition process have been accompanied by reversals of progress in equalizing women's political influence and their role in the household. While the role of the mother has traditionally been a cornerstone of the Kazakh woman's place in society, both pre-Soviet and Soviet idealizations of the mother were supplemented by a more equal sharing of decision-making and workplace activity. The post-Soviet ideology places the woman's role of mother as a sole characteristic, and with the demise of social governmental spending, care-giving takes over the definition of the woman's role – caring for children as well as for the sick. In addition, given deterioration of physical infrastructure, the ability of women to develop outside of the family has become severely limited. The new emphasis on valuing men as the economic provider of the family, particularly in the context of economic instability and unemployment, has led to an increase in male alcoholism, with consequent increases in domestic violence toward women.

Further, the women in Kazakhstan are increasingly frustrated by the inability to translate their higher educational achievements into productive employment possibilities, by their reduced role in politics, and by the degradation of their outlooks, despite some overall national economic growth.

#### **IMPACT OF ACCESSION ON POLICIES WITH A GENDER DIMENSION**

The WTO accession requirements faced by Kazakhstan fit with the Government's programme of privatizing and expanding the economy. Liberalization of market access and greater non-discrimination guarantees stemming directly from the WTO agreements therefore promise to have modest effects on the gender relationships existing in the country. With a large proportion of Kazakh women employed already, the opportunities for them to profit by expanded commercial activity as a result of WTO accession seem assured if the new activity includes non-mineral sectors of the economy.

There is little, in fact, to suggest in view of Kazakhstan's reported adjustments to the WTO legal framework. However, there are areas that the Government could perhaps place more emphasis on, and explicitly address them in so far as they will touch upon WTO rules.

#### **Positive effects**

The reported accession discussions indicate Kazakhstan's understanding of the need to balance openness to trade with domestic support to achieve the benefits of trade. In several areas, WTO membership promises to afford women of Kazakhstan more employment possibilities, particularly for those who are highly educated and possess some access to business capital.

In particular, there appears to be an opportunity for new economic activities in the areas of health and technical standard testing. Given the requirements of the SPS and TBT Agreements, it would appear possible that Kazakh women with a higher level of education could find employment/entrepreneurial opportunities in this field.

For women in the legal profession, the increased attention to intellectual property rights should also translate into employment possibilities, either as private attorneys/consultants for rights-holders, or in the Government, where enforcement procedures in the civil, administrative, and criminal court systems will be taking place at higher rates.

Another benefit of WTO accession will be the required enhancement of transparency in the governance of trade. Women already active in the economy will be more able to access the rule-

making process than is currently the case. This, in turn, may support the formal and informal networking of women entrepreneurs, as industry-wide connections will be necessary to bring successful claims to the WTO. Increased involvement in regulatory processes – whether from the private or the public side – will also give experience to those women, enhancing their chances of further career improvements. For less-educated women and those in rural areas, the liberalization of the telecommunications sector may prove particularly valuable. As foreign market entrants are permitted onto the market, the expectation is that the price of telecommunication services will fall, quality will increase, and geographic coverage not be reduced. As long as the Government firmly adheres to ensuring universal coverage from suppliers, the availability of better communication should translate into making economic activities more efficient, more productive, and ultimately more profitable, particularly from women working from their homes or small offices.

### **Negative effects**

There are some potentially harmful effects on gender relations of Kazakhstan's WTO accession plans as currently reported. The main problem lies in the fact that the liberalization undertaken in light of accession does not distinguish itself as actively expanding the base of the economy. While the Government explicitly sets itself a goal of diversification, its proposed commitments exhibit little that will directly achieve this goal.

Another area of concern is that the revision of the SME funding programme may have negative impacts on women entrepreneurs, as the privatization of credit-giving subjects women to the gendered views of the banks in terms of credit-worthiness. In particular, requirements of minimum time as a going concern or the ownership of start-up capital will disqualify those women who need capital to begin a business.

The pressure to remove domestic support in agriculture is a major issue for Kazakhstan, given that many of the females in rural areas are employed in farming activities. Export subsidies for agricultural products from small-scale and self-employed farms are necessary to ensuring the competitiveness of such women until sufficient levels of development can be reached. If such subsidies are eliminated, there is a threat that only the globally competitive wheat agro-industry will survive, displacing women as they expand.

### **RECOMMENDATIONS**

While there is no specific information available as to what the Government is planning to do for women to ensure their well-being in the face of liberalization, one suggestion would be to ensure that Kazakhstan pays particular attention to the development of its service sectors. There, however, it need to takes a horizontal specific commitment limitation on both Market Access and National Treatment in its GATS list to allow for gender-specific programmes/incentives.

In addition, as large conglomerates control most of the agricultural trade, even while ownership remains with families, the Government needs to protect small farms from the possible exploitation that could arise in the face of growing foreign competition. There, the creation of special training programmes for farmers in the development of non-traditional crops, for instance, could provide rural women with entrepreneurial opportunities that could make them less dependent on the conglomerates.

In the non-agricultural sector, the Government is encouraged to continue diversifying the economy so as to allow growth to encompass areas where female employees are concentrated. To directly benefit gender relations, economic growth must occur outside the mineral sector, and include those sectors where women's employment is prevalent. Government supported investment in "priority sectors" – particularly those of chemicals and pharmaceuticals, textiles, and agriculture – as well as regional Government support of education and social payments, are valuable, as these sectors are ones commonly attracting a large number of female employees. Nevertheless, as they could easily be both

“specific” (under Article 2 Subsidies Agreement) and actionable (Article 5 Subsidies Agreement) if challenged by WTO trading partners, the loss of such support due to WTO membership could have the effect of slowing the development of these sectors, thereby reducing the employment-enhancing effects of trade for women.

Micro-financing efforts or special funding possibilities are also suggested to offset the restructuring of SME credit offerings. Giving a gender-specific goal to the programme would also help offset some of the problems that women businesspersons face in accessing financial resources.



## **X. THE LAO PEOPLE'S DEMOCRATIC REPUBLIC**

The Lao People's Democratic Republic is a country of varied geography and a mainly agricultural economy, with over 80 per cent of its population working in agriculture. Although rice is by far the country's leading product, mining, food processing and tourism are growing industries.

A mainly rural population (less than one third resides in urban centers), the Lao People's Democratic Republic has a low literacy rate, perpetuated in part by general attitudes that value family work more than formal education, and in part by poor infrastructure, which makes access to schools difficult.

Culturally, there is a wide range of ethnicities in the Lao People's Democratic Republic. The ethnic Lao are the dominant group, although numerous minorities continue to populate the mountains. The ethnic diversity is reflected in a wide variety of social customs, languages and religions, and impacts gender relations as well as relations between ethnic groups.

Buddhism is the main religion, although nearly one third of the country's 6 million inhabitants is not Buddhist.

### **ANALYSIS OF TRADE POLICIES AND REFORM ADJUSTMENTS FOR ACCESSION TO WTO**

As an LDC, the Lao People's Democratic Republic's accession negotiations are marked by the desire of its Government to improve the level of its development. This development goal is seen on a country-wide, but also individual, level. The negotiators have expressed repeated concern that trade liberalization and WTO membership be beneficial for the Lao people and be recognized by the population as being beneficial to social development.<sup>47</sup>

The Lao People's Democratic Republic has already tabled propositions that would bind all of its tariffs, commit to offering market access and national treatment to a relatively large number of service sectors, and to keep its domestic support for agriculture low. In its efforts to accede, the Lao People's Democratic Republic has also formulated a new intellectual property law, increased its supervision of the banking system, and is working with technical assistance partners to incorporate trade concerns into the policymaking levels of national development efforts. The Government, moreover, signals that these initial commitments would only be the beginning of a process of further liberalization as a member of the WTO.

### **PLACE OF WOMEN IN SOCIETY AND IN THE WORKFORCE**

The legal status of women in the Lao People's Democratic Republic is protected through a constitutional guarantee of equal rights of women and men in "political, economic, cultural, social and family affairs", as well as assigning the duty of advancing women's interests to the Lao Women's Union.<sup>48</sup> Thus, women can inherit and own property on an equal basis as men.

The Government's commitment to gender equality is also expressed in various policy documents, including the Population and Health Policy Document. The Lao People's Democratic Republic is a signatory to the United Nations Convention on the Elimination of All Forms of Discrimination against Women (1981), the Beijing Declaration and Platform for Action in 1995, and the Millennium Development Goals (MDGs) in 2000.

<sup>47</sup> Statement by Dr. Nam Viyaketh, Minister of Industry and Commerce, at the Fourth Session of the Working Party on the Accession of Laos to the WTO; 4 July 2008.

<sup>48</sup> Gender Resource Information & Development Center, Lao PDR Gender Profile 25 (November 2005) (World Bank-sponsored report, available at <http://worldbank.org>) (citing the 1991 Lao Constitution, Articles 24 and 7).

Employment law protects women with special provisions regarding industrial work (no night work permitted, required rest periods and early retirement are among the provisions).

Attitudes toward females in the Lao People's Democratic Republic, however, vary with ethnicity, making generalizations of limited value. While some social groups grant women control of land or finances, other groups regard such issues as suitable only for males. The strength of the family and social ties, however, are valued across the country's populations, and as such strongly influence the role of women in the public and private spheres.

Still heavily traditional, social perception of the female's role is largely based on her position as a wife.<sup>49</sup> As such, rural women are generally considered responsible for household work as well as helping with the productive farm work, but the unpaid work is rarely recognized. In urban settings, women's position is somewhat less traditional, although even there, women are seen as the main house worker and caregiver. With a lack of funded childcare in the country, these working women are doubly burdened. As heads of households, working women are under even more pressure to balance their private and economic responsibilities. With the number of women in this role estimated to be a substantial 51–70 per cent, the problem is one that needs attention.

The level of education of most females remains low, with under one third attending primary school. While the corresponding percentages for male education are the same,<sup>50</sup> the number of women in the skilled labour force is only 11–20 per cent. Moreover, with a very low average age for beginning work (reportedly between 8–12 years), girls in the Lao People's Democratic Republic are not able to benefit from the economic mobility made possible by longer training.<sup>51</sup>

As employees, women and girls are subject to labour conditions that are sub-optimal. In 2004 however, the National Assembly passed the law on the Development and Protection of Women, a comprehensive policy document on the advancement of women. Its implementation Decree was adopted in 2006. Although there are laws regulating minimum wages, the legal threshold is too low to support a decent standard of living.<sup>52</sup> While working conditions are legally required to be safe, the Government's resources leave room for better enforcement of these rules. With approximately 70 per cent of the textile workers female, there is a danger of these women's health and safety.

Finally, the problem of trafficking in women and children for prostitution exists in the Lao People's Democratic Republic, as it does in neighboring countries. Currently, Lao victims are mainly transported to Thailand. There are fears, however, that increases in tourism will spur an expansion in this trade and in prostitution within the Lao People's Democratic Republic itself (where it is illegal).

Despite females' economic disadvantages, there have been some improvement in women's employment position, with urban businesswomen and governmental employees sometimes earning more than men.

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<sup>49</sup> Gender Resource Information & Development Center, The Lao People's Democratic Republic Gender Profile 20 (November 2005) (World Bank-sponsored report, available at <http://worldbank.org>).

<sup>50</sup> The exact level of education received is difficult to assess, with the United States State Department's 2008 report noting a 10 per cent higher level of enrollment by boys than girls.

<sup>51</sup> Article 13 of the Law on Development and Protection of Women stipulates that "*equal right of women and men means equal right to self-development. Women and men have the same value and opportunities in politics, economy, socio-culture, families, national defense and security and foreign affairs as stipulated in the Constitution and laws.*" (See CEDAW-C-Lao-7).

<sup>52</sup> United States State Department, Human Rights Report – Laos (2008) (<http://www.state.gov/g/drl/rls/hrrpt/2008/eap/119045.htm>).

**IMPACT OF ACCESSION ON POLICIES WITH A GENDER DIMENSION**

The generality of the knowledge about the Lao People's Democratic Republic's planned trade policies makes a gender impact assessment difficult. The Government's expressed willingness to make substantial liberalization, however, holds the danger of instigating a fierce competition on the market, where weaker economic actors will be unable to survive. As women in the Lao People's Democratic Republic are often in the double role of caregiver and employee, they are less able to adapt to changing conditions. Moreover, the impact of a more competitive workplace may have effects on the traditional family and social network. While this may in some cases allow for a greater independence of women and a stronger recognition of females' abilities to participate in the economy in leadership positions, traditional perceptions of the role of women in family and social network – if not changed – could hamper their efforts to enhance their contribution to society.

**RECOMMENDATIONS**

For the Lao People's Democratic Republic, the importance of agriculture and natural resources to its economy, together with the hope to develop its tourism services sectors, requires attention to the Government's ability to train and promote women if a gender-beneficial accession to WTO is to be achieved. This will depend partly on efforts to prolong girls' school attendance beyond primary grades and partly on Government-led and financed worker training programmes for women to foster the adaptability of employees between sectors. Similar governmental programmes could be envisioned to train workers (for instance, in the textile industry) to allow for the promotion of women within a company – the short-term employment of the average female employee suggests job insecurity for the woman, but also a lost opportunity to benefit from experience within the company.

It will also, however, necessitate the negotiation of safeguards for domestic agricultural producers, many of whom are small subsistence farming families. Given the heavy work burdens on females in the Lao People's Democratic Republic, in rural areas in particular, economic survival in the face of increased foreign competition will rely on training to increase efficiency rather than on cost-cutting. Mechanization of small farms, too, supported through eased access to credit, would be valuable for female agriculturalists, who currently suffer from lower levels of technical skills and capitalization than their male counterparts.

With official unemployment figures relatively low, increased competition in urban employment could promise an upward pressure on labour conditions and wages for female employees in the Lao People's Democratic Republic. The Government should take the opportunities offered by WTO accession to legislate for social benefits beyond sick pay in formal and informal sectors – such as the provision of childcare facilities for mothers.

Finally, the Government's desire for an expansion of the tourism sector will be assisted by carefully crafted GATS commitments. Foreign tour operators may well offer additional employment opportunities for the Lao People's Democratic Republic, but controls on employment conditions need to accompany environmental protection provisions to ensure that tourism develops in a way that will ensure long-term benefits.



## **XI. SERBIA**

The Republic of Serbia, formally an independent State since 2006, emerged from the collapse of the Soviet Union as part of the Socialist Federal Republic of Yugoslavia, only to enter a period of ethnic warring under the leadership of Slobodan Milosevic. Although emerging economically from the war, the political and social inheritance of the brutality of the fighting has left its imprint on many aspects of Serbian life, affecting women differently (although not necessarily more severely) than men.

The geography of Serbia is varied, with one third of the land plains and the rest mountainous. Several large rivers give the country importance in water transport, despite being landlocked. The economy of Serbia has been growing quickly since the end of the Kosovo war and the lifting of sanctions, reaching over 7 per cent in 2007. Foreign direct investment has been rising, in particular since 2005, and the election in 2008 of a pro-European Government promises an investor-friendly climate.

Services provide almost two thirds of GDP, industry approximately one quarter, and agriculture the rest. The workforce does not follow the same pattern, however, with nearly half of the employees working in industry, one third in agriculture, and one fourth in services.<sup>53</sup>

Despite growth rates that lead some to refer to Serbia as a “Balkan Tiger”, weaknesses in the economy remain. Trade deficits are high, inflation is significant (fueled in part by a high level of remittances), physical infrastructure, some destroyed by the war, is insufficient and investment in rural areas is low. The Government’s market reforms, begun in 2000 to restructure and privatize some sectors, is progressing slowly,<sup>54</sup> labour productivity is outpaced by wage increases, and there has been a potentially damaging increase in borrowing, both by consumers and businesses. The long-term sustainability of Serbia’s growth is therefore questionable.<sup>55</sup> Most problematic is the fact that unemployment is high – October 2008 statistics place it at 14 per cent, and the global financial crisis may worsen the situation. Estimates of unofficial unemployment, moreover, may underestimate the extent of the problem, as the actual joblessness figure may be over 20 per cent.<sup>56</sup>

The war has left a significant mark on society, with corruption and other criminal activities exerting a greater influence over society than in the Soviet era.

Culturally, the population is overwhelmingly ethnic Serb, with Hungarians the second largest ethnicity, and the northern Vojvodina province more mixed. Religion, too, follows geographic lines, with a large majority of Serbs following Orthodox Christianity, a significant number of Catholics in Vojvodina and Muslims in the South.

### **ANALYSIS OF TRADE POLICIES AND REFORM ADJUSTMENTS FOR ACCESSION TO WTO**

There is no available information on Serbia’s proposed trade policy adjustments. Governmental responses to the Questionnaire, however, indicate a desire to develop a multi-faceted economy. Renewable energy resources, automobiles, electronics, transportation, information technology, tourism, engineering, new technology, creative industry, and organic agriculture all form areas of development interest. With an expressed awareness of the need to attract foreign direct

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<sup>53</sup> CIA Factbook (2002 figures).

<sup>54</sup> CIA Factbook.

<sup>55</sup> Edward Hugh, Serbia’s Economy Looking Toward Europe ... But Facing Mounting Ageing and Demographic Problems, <http://globaleconomydoesmatter.blogspot.com>.

<sup>56</sup> Questionnaire reply.

investment, the Government will likely be amenable to liberalization of trade to ensure the growth of these fields.

### **PLACE OF WOMEN IN SOCIETY AND IN THE WORKFORCE**

Serbian women face numerous disadvantages in society and the workforce, many of which have been highlighted by United Nations efforts at improving gender equality. Among the most noticeable statistics are the gender gaps in the public sphere, in particular in education and unemployment, where women are overrepresented, and in management positions and political activity, where women rarely participate, and where female activity has decreased in the recent past.<sup>57</sup> The gender wage gap, however, is modest, and the number of women in higher education exceeds that of men, although the additional education seems not to translate into better employment prospects.<sup>58</sup>

In the private sphere, too, gender plays a large role. Women are much less likely to own property than men, whether in the form of real estate, businesses or savings. Domestic violence, both psychological and physical, is also frequent, as is sexual violence outside of the home. Health of women is poor on average, and has been adversely affected by cuts in the Government's reform of social spending.

The increasing gender inequalities in Serbia are the subject of some study. One set of authors finds an explanation in the war culture that glorified "Warrior Chic" and combined Western ideals of glamour with pornography, wealth, patriarchy and authoritarianism.<sup>59</sup> They also note the re-emergence of traditional ideas about gender, due in part to the migration of people from rural areas into the cities and exacerbated by the emigration of highly educated people out of Serbia.

Specialists note that the worsening position of women corresponds to the socio-economic/political ideology of the transition period, when the opposition political parties were unified in their lack of women.<sup>60</sup> Dropping from approximately one-fifth prior to 1990 to under two per cent of the parliamentarians in the second half of the 1990s, women's representation in politics remained low in the early years of the current century.<sup>61</sup> Not involved in the creation of the new state structures, women have witnessed a decline in the level of protection of their interests, and their worsening social position went largely unnoticed at the policy-making levels of Government until recently.<sup>62</sup>

Given the gender composition of the transition Government, it is not surprising that legal protections of equality are in their infancy. Serbia is a party to the Convention on the Elimination of Discrimination Against Women, and has a Law on Gender Equality, but the low regard by the population for Government institutions places the question of effectiveness at the heart of the struggle for gender equality.

### **IMPACT OF ACCESSION ON POLICIES WITH A GENDER DIMENSION**

Although unclear, due to the lack of specific information on accession discussions, Serbia's WTO membership policies are likely to open up further employment possibilities for women in the

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<sup>57</sup> USAID.

<sup>58</sup> USAID.

<sup>59</sup> USAID at 10.

<sup>60</sup> Vesna Bajic, *The Social and Economic Position of Women in Serbia*, 2 *South-East Europe Review* 7, 8 (2005).

<sup>61</sup> Bajic at 8.

<sup>62</sup> Bajic at 9.

country, but the quality of such jobs is questionable. The Government's interest in developing a multi-faceted economy is to be welcomed, but the list of sectors of particular interest is heavily oriented toward traditionally male-employment. While tourism (a sector in which females are often employed on relatively equal terms with males) is included, the energy, automobile, and transport industries are not likely to offer significant employment opportunities to women.

On the other hand, women with jobs currently are unlikely to be significantly at risk of unemployment due to foreign competition, as market liberalization undertaken as a CEFTA member has introduced competition already.

There are several areas, however, in which accession could have particular importance to women. One is in the impact of increased competition on working conditions faced by Serbian women on a daily basis. Despite the legal prohibitions on discrimination and employers' obligations to provide for sick leave and overtime compensation to permanent employees, temporary employees are subject to less favourable conditions. As up to one fifth of women employees are employed on a temporary basis, the lack of social protections affects them particularly. With increased foreign competition, it can be expected that the conditions offered temporary employees will worsen rather than improve. Flexible work, lower wages, and less security have been the result of liberalization so far, and there is the danger of it continuing.

## **RECOMMENDATIONS**

Besides the general exhortation to take horizontal specific commitment limitations for MA/NTO to allow for gender-specific programmes/incentives, the Government is encouraged to pay particular attention to three issues in their accession process to the WTO. First is the problem of "brain-drain" from Belgrade and other urban centers, and the replacement migration accompanying it that stems from rural areas. To ensure a continued pool of skilled employees necessary to build up the new sectors of the economy at a level to compete with global trade partners, Serbia must ensure that its highly educated workforce remains in the country. As a majority of the most highly educated citizens is female, the Government should consider programmes to make life and employment in Serbia particularly attractive for women. This would include a strict enforcement of equal wage legislation, aggressive enforcement of the prohibition on discrimination and sexual harassment, and incentive programmes for private industry to promote their female employees to positions with real decision-making power. On the private side, the culture of male dominance needs to be modified, with the Government leading the way with an increased number of competent female politicians in visible positions of power.

A second problem requiring attention in the wake of WTO accession is that of continued education and adult education opportunities. While Serbia has demonstrated its strong commitment to education of girls at the primary and pre-school level, adult training is less attended to. Given the challenges of building and maintaining competitiveness in a wide range of sectors, the training of those already in the workforce, or of those changing positions, is important in both the short term (to prevent income loss) and long term (to ensure continued productivity gains). Government sponsorship of educational programmes, educational funds, and tax credits for continuing education courses are possible measures to assist in achieving this aim.

As women in Serbia are underrepresented in Government and private enterprise, their lack of access to informal networks will put them at an even greater disadvantage in relation to males when new trade policies are being considered, drafted, and put into force.



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## **XII. YEMEN**

Located on the south-west corner of the Arabian Peninsula, Yemen became a single Republic only in 1990, when North Yemen, formerly part of the Ottoman Empire, and South Yemen, a former British colony, united. A democracy, all adults in Yemen's rapidly growing population (currently just over 23 million) enjoy the right to vote.

The economy of Yemen is similar to that of other oil-dependent nations, with approximately 90 per cent of the State's export revenues coming from oil shipments. Unlike its Saudi neighbors, however, Yemen is one of the world's poorest countries, and its oil supply is dwindling, with estimates that the supplies will be completely extracted within a decade (World Bank estimate).

Given the impending depletion of oil reserves, Yemen's Government has made an attempt to diversify the economy. Since 2006, foreign direct investment has been encouraged, and several domestic projects in farming (including crops and apiaries) and fishing are struggling to gain a foothold. Although severe flooding in October 2008 caused a major setback to many of those working in these areas, efforts are underway to rebuild the projects.

A further economic influence over the past several years has been Somalia. Both refugees from the war in Somalia (numbering almost 250,000) and pirates in the Gulf of Aden who are threatening shipping activities off Yemen's coast are costly to Yemen. While the former are draining the economy of already limited State funds, the latter damage the attractiveness of Yemen as a business partner, due to increased risks of attack and the consequently high costs of insurance for shippers operating from Port Aden.

Military spending is also a significant cost, with nearly 7 per cent of GDP going into maintaining troops and weapons. The Government justifies the high value of such spending on the continuing struggles with the Zaidi rebels of the North-west.

Culturally, Yemen is an Islamic country with a large portion of its population living outside the urban centers, although there has been an increased rate of urbanization in recent years.

### **ANALYSIS OF TRADE POLICIES AND REFORM ADJUSTMENTS FOR ACCESSION TO WTO**

Yemen applied for WTO membership in mid-April 2000. According to the latest reports, the Government of Yemen is adjusting its intellectual property legislation and its customs regime to conform to WTO rules, and has still to address several issues in other areas. As an LDC, Yemen is entitled to benefit from a more relaxed level of commitments on market access and in implementation times for some rules. Its goals, too, recognize the need to develop its economy in non-oil sectors to achieve lasting and stable growth.

Yemen is being urged to adjust its legislation on the right to import goods for commercial sale in Yemen to permit foreigners to engage in importing.

There are some quantitative restrictions in place, including prohibitions on importation of goods that are contrary to public morals or necessary for environmental or health protection and conformity with sharia law. Other prohibitions or restrictions are in place to protect Yemen's agricultural producers, with seasonal-only allowances for a variety of fruits and vegetables.

While import licensing does not exist as such, several administrative agencies perform "technical clearance" of particular products. While such clearance could only permit Yemeni nationals to import these products, Yemen will reportedly lift this restriction in time for its accession to the WTO.

Yemen does not yet have a legislative basis for implementing anti-dumping or countervailing duties or safeguard measures. It is planning such legislation, which will be in conformity with the relevant agreements of the WTO.

Exports are not subject to either quantitative restrictions or subsidies, except for the need for a permit to export pesticides and a technical clearance for exports of fish products, precious minerals (including metals and stones), and items of cultural/historical value. As an LDC, however, Yemen may rely on Article 27 of the Subsidies Agreement to assist its development.

As for industrial policies, Yemen is eager to attract domestic and foreign investment to deepen and broaden its economic base. General subsidy systems may be implemented, but are not yet in place. Promulgation of technical and health standards will be coordinated through the Governmental Yemeni Standardization and Metrology Organization, which will certify domestic as well as foreign products on a non-discriminatory basis.

Services trade is to a great extent governed by non-discriminatory laws, but ones that control the access of supplier to the market. While there is a minimum investment required of foreign service suppliers that is not also required of nationals, and although foreign nationals are not permitted to own land or real estate, there are few other limits on the national treatment extended to foreign service suppliers.

The Yemeni regime for intellectual property protection is in development, with alterations reportedly underway to become compatible with TRIPS provisions.

#### **PLACE OF WOMEN IN SOCIETY AND IN THE WORKFORCE**

The social views of women, combined with high rates of poverty that makes education a luxury that many cannot afford, gives Yemen one of the most unequal rates of literacy in the world. Although the female illiteracy is particularly strong in rural areas (where less than one quarter of the females can read and write), even in urban centers, only approximately 60 per cent of the women are literate. For males, the literacy rates are just under 70 per cent in the countryside and nearly 85 per cent in the cities. This lack of education, as well as the social norms spurring it, contributes directly to women's inequality in the workforce.

Approximately 5 per cent of the public sector employees and roughly equal percentage of the private sector employees are women.<sup>63</sup> The lack of disaggregated employment data, however, makes determinations of equality within the jobs difficult.

#### **IMPACT OF ACCESSION ON POLICIES WITH A GENDER DIMENSION**

The relative absence of women in Yemen's formal economy reduces greatly the direct impacts of WTO accession on gender relations in the country.

The main foreseeable direct impact on these women is positive for women outside of the agricultural sector: consumer prices should fall with the liberalization of trade, because imports of foodstuffs and household goods from global suppliers will enter in greater quantities.

Another potential benefit of accession is the introduction of general subsidies to promote industrial development and, in particular, the production and marketing of handicrafts. Should such subsidies be extended, potential disagreements over the specificity of such subsidies could endanger

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<sup>63</sup> Rashida Al-Hamani, <http://siteresources.worldbank.org>.

the longer-term use of such funds, however, so the full extent of Article 27 of the Subsidies Agreement needs to be taken advantage of.

While the partial opening of the tourism sector to foreign providers could be a promising avenue for female employment, as could increased governmental employment in areas such as standards testing, and intellectual property law, until social attitudes preventing women from working change, these employment possibilities are not likely to be accessed without a clear message from the Government encouraging female participation.

Negative effects of accession will be directly felt by women working in agriculture. Although Yemen may initially maintain some of its restrictions on agricultural imports, WTO membership will eventually lead to the reduction of such protection, leaving domestic producers open to foreign competition. As there may be high rates of women working in the informal agriculture-based economy, WTO accession may threaten their ability to provide for themselves in the intermediate term, particularly if agricultural imports rise substantially. Unless offered training and credit to enable them to export their produce, Yemeni women farmers will face worsening conditions with free trade.

Indirectly, women will necessarily be affected by the results accession will have on Government spending and on the economic impacts on male family members. As regards the former, reductions in tariff revenues that can be expected may negatively impact women and girls relying on social spending by the Government. Educational programmes and healthcare for the impoverished, in particular, need to be insulated from budgetary cuts that may need to be undertaken.

In the case of WTO accession's impacts on males, increased employment possibilities that can be expected will benefit women by increasing household budgets available for necessities, as well as lowering the rates of domestic violence often attributable to economic hardship.

Unless social perceptions of male-female roles alter together with the economic liberalization, however, gender relations are unlikely to be significantly impacted by WTO accession.

## **RECOMMENDATIONS**

While there is no specific information available as to what the Government is planning to do for women to ensure their well-being in the face of liberalization, the first suggestion is to ensure that Yemen is very careful about agricultural liberalization, as the majority of women work in that sector. Full use, therefore, should be made of Yemen's position as an LDC during the negotiations as to the extent of import liberalization and safeguard implementation with a particular view on those products relied upon by women.

Another suggestion is for the Government to undertake extensive training programmes in rural areas to educate and inform women farmers of entrepreneurial possibilities that will open with WTO accession. This is particularly true for the development of non-traditional crops, but is valid as well for livestock market possibilities that are heavily woman-managed.

As many of the target women will be uneducated, publication of regulations and newspaper reporting on the accession process is insufficient to guarantee that those who most need the information will receive it.

Finally, the Government could consider the creation of export subsidies for small agriculturalists. Whether solely for marketing, or also for transportation, the ability to gain financing for trading is likely to be key in ensuring that Yemeni women farmers are benefited by trade liberalization.

Yemen's Government is also advised to take a horizontal specific commitment limitation on both Market Access and National Treatment in its GATS list to allow for gender-specific

programmes/incentives in service sectors important to women's employment. This clearly would include tourism, but might also extend to health, communication and financial sectors. Given the difficulty of receiving credit that women in Yemen face, Government funding programmes directly focused on women will be important and should be protected from the possibility of trade dispute through an explicit limitation in the national treatment commitments.

It would also be advisable to make very limited commitments that would result in the reduction of the government sector, as half of the existing employment for women is found there, and it is potentially more open to hiring women than private sector would be.