

Discussion Forum on

“Why Trade Matters in Development Strategies?”

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Presentation

By

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Using trade to empower women: Opportunities, challenges and constraints – Pitfalls and Progression

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Background Notes

Using trade to empower women UNCTAD Discussion Forum: “Why trade matters in development strategies?” 27-29 November 2013 Palais des Nations

Good Morning. Thank you for the invitation to participate in this discussion. Previous panels yesterday and earlier this morning have looked at trade and food security and trade and poverty reduction. Forthcoming panels will look at trade and productive capacity and job creation and trade policies.

Gender issues and women empowerment are central and inextricably linked to all of these issues.

Trade, both on the export promotion side and on the import liberalisation side, plays an important role in economic development. A strategic approach to trade policy and trade development is crucial in order for developing countries to benefit from trade and to unlock any significant and sustained dividends for poverty reduction and employment creation (beyond the absorption of cheap labour).

Trade also can also enhance productivity capacity or depending on the nature and evolution of trade flows can contribute to stagnancy in the development of productivity capacity. This also applies to its potentials and limitations with regard to gender equality and women’s economic and social empowerment issues.

I. What we know so far about gender & trade?

- Trade liberalization does not create structural gender inequalities but may create conditions that can either enhance women’s economic situation or exacerbates pre-existing gender inequalities and biases.
- Trade liberalisation and trade intensification can lead to increased or decreased employment and livelihoods for different sectors of the economy; it may also impact relative prices; government revenues and hence government expenditures a variety of measures
- The trade reform that accompanies trade liberalisation at the domestic level can affect – for better or worse –conditions in the labour market, relative prices for products, and resource and government revenues.
- The distributional effects of trade policies are gender differentiated

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- Trade policies can and do have a negative impacts on both paid and unpaid work unless gender issues are taken into consideration by policy-makers and /or efforts are made to assist women to overcome the negative effects through the implementation of complementary support measures
- Challenges face by women reaching the export market is more than twice as severe as those in the domestic market (Tandon 2003): stringent quality standards, stricter conditions—time and quantities of supplies, complex logistics of exporting
- Barriers to entry in export market may prevent women more so than men from taking advantage of new economic opportunities
- Absorption into global production systems (voluntary or not, in terms of participation, the nature of the intervention in GVCs and the share of control over resources) may not automatically benefit women or other micro and small enterprises. Proactive policies need to be in place to generate sustained benefits.
- Trade facilitation measures, likewise, may not automatically benefit women and other small producers, especially if such measures are simply geared to facilitate transnational companies, and if such measures adversely impacts government revenue and expenditure allocations.
- Women and men have differential access to export promotion strategies and programmes and this also affects the success of such strategies.

[UNCTAD's very good cases studies on gender and trade is illustrative of these points as well as the remainder of my remarks.]

II. Given this backdrop, then can Trade Empower women?

First, we will need to have a clear understand of 'what do we mean by empowering women? Second, we will need to interrogate trade and trade policies from both dual nature: import liberalisation (the normally focus) and export promotion. Then the related issue of GVCs and women, trade facilitation, AID for Trade etc. must be also examined from a gender analytical perspective. I will not go into all of these as time does not permit this so I will confine myself to few generic remarks.

What is meant by economic empowerment in this context?

Economic empowerment is a complex process.

There are many approaches but for this presentation I will draw on that used by the International Center for Research on Women (ICRW), an entity that has undertaken much work in this area:

- *A woman (and a man) is economically empowered when she (he) has both the ability to succeed and advance economically and the power to make and act on economic decisions*
- Economic empowerment is hence comprised of two inter-related components: 1) economic advancement and 2) power and agency.

- Economic gain and success (economic advancement) promote women's power and agency. At the same time, when a woman is able to control and share in resource use (power) and to define and make choices (agency), she is better able to advance economically.

Policy implication of such an approach: Policy makers, including trade policy must seek to 'design effective, measurable interventions to advance women economically' taking into account the differential status and starting point and access points of women, relative to men in the society. Thus 'well-designed interventions are required to facilitate women's and men's economic mobility across sectors and occupations, and to widen their options.'

Can trade empower women?

Here I will draw on the work that Marilyn Carr and I did that is in the book, *Trading Stories*

Well, it depends. On what?

- On the extent to which trade itself promotes development and does not simply extract resources and depend on cheap labour.
- On the extent to which trade policy that promotes trade expansion and intensification beyond simply job creation. There has to also have a focus on wages and the nature of job and women's ability to have autonomy.
- The extent to which trade policies, trade regulation and trade development projects and programme determined by national governments are in synergy with governmental implementation of other policies local, national and international.
- Trade and trade policy can provide some of the critical dimensions of empowerment:
 - Decent working conditions
 - Employment & Income and wages
 - Markets for profitable growth of MSMEs and farmers
 - Enhancing the environment for the provision of social and other service through the collection of trade taxes and by government from trade expansion

What are some key Factors leading to trade success for women and men?

Women are involved in all dimensions and aspect of international trade:

- Traditional export marker (primary commodities)—coffee, cocoa, cashew
- Non-traditional: cut flower
- Manufacturing export market: shoes, ready-made garments

However,

- Jobs in large export oriented sector have income but no securitize no long-term prospects of employment

- Trade expansion on its own does not generated sustained improvement in women's overall situation: there may be marginal improvement in economic and social status.
- Fragility of trade dependence: when booming women and men have high level of functioning and command over resources, temporarily.

Women need support for (Carr 2008b):

- Upgrading quality and or reducing price (to compete with imports)
- Upgrade quality and organize to supply large volume of products that are exportable
- Diversity into products for regional and global markets

In general pro gender equality and gender empowerment trade requires consistent and proactive interventions.

Work by Dunn et al examining trade policies such as EPAs in the Caribbean argue that

These interventions should include,

- supporting the full enforcement of core labour standards and anti-discrimination legislation; promoting institutional mechanisms that foster small female producers and traders' participation;
- designing agricultural vocational training and extension services to meet the specific needs of female farmers;
- promoting gender audits of trade-related administrative procedures;
- financing physical infrastructural projects that reduce women's time and energy burdens;
- Protecting women's rights over their own financial assets and assisting them in claiming a fair remuneration for contributing their labour to family business.
- Measures to contribute to enhance men and women's agricultural productivity: including facilitating access of small female farmers to capital, knowledge and capacity to invest in the adoption of new technologies.
- Measures to support unpaid and other social production work by men and women in communities
- Ensure that economic policy initiative including, financial policies (guarantee loans schemes, micro finance plus), and support for business development activities reach both male and female enterprises equitably
- Measures need to be taken to avoid tariff cuts, which have a regressive impact, in the sense of improving consumption of well-off households whilst making goods and services consumed by vulnerable groups less affordable
- Gender sensitizing national export promotion programmes (see for example, Uganda NES)

Conclusions

Ultimately, for trade to empower women and men, equitably, **SMART** trade policies are important. **SMART:**

Strategic (linked to national development plans and comprehensively integrated with investment strategies including considering and involving local enterprises, (MSMES), food security/sovereignty needs, long term focus with appropriate sequencing of trade reform measures)

Multifunctional (supports the inter-linkage of the different areas of the economy, promotes rural development, link to poverty eradication, employment creation and food security, ensure access to water and other basic services)

Accountable (involve the participation of all stake holders in the shaping of national trade policy and trade reform measures)

Responsive (to gender and poverty eradication): trade liberalisation should be coherent with national gender equality and women's empowerment and poverty eradication frameworks). Trade should support the promotion of gender equality interventions (such as female extension training, education and skill upgrading for women workers) as well as enhance non-gender equality interventions (feeder roads, infrastructure for community etc.) which are critical for the lives and livelihoods of women, men, boys and girls.

Transparent (government expenditures on ports and infrastructure to facilitate trade must be transparent, likewise the aid for trade programmes and projects must be transparent in design and implementation.)

A few principles and guidelines

Promoting women's empowerment as a key pillar of trade and development strategy.

Maximising sustained gains from trade expansion and trade reform necessitate investing in women and girls: factors that affect capability, access to resource and security. Including support for social reproduction.

Infusing trade policy with a gender-sensitive social mandate (in terms of the sequence of change in trade policy trade reform taking social gender and human development concerns (resource allocation and other policy parameters—fiscal and social

Ensure flexibility of government to undertake domestic adjustment that cater to the particular needs of and sectors of the economy

Export readiness assessment and trade facilitation programmes must be made gender sensitive and conducive to women and other small traders.

- Emerging practice in this regard include, the regional economic communities of COMESA and the EAC, Simplified Trade Regime (STR) for selected commodity

types in which small-scale traders benefit from a Simplified Customs Document and a Simplified Certificate of Origin.²

² (Goods valued at under \$500 originating from member countries, qualify automatically for duty-free entry into the respective markets with certificates issued at border posts to speed up and simplify the process.