

Expert Meeting on

TRADE AS A TOOL FOR THE ECONOMIC EMPOWERMENT OF
WOMEN

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Presentation of the background note

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The views expressed are those of the author and do not necessarily reflect
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Trade as a Tool for the Economic Empowerment of Women

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Outline

Trade and Gender nexus in:

- **Agriculture**
- **Manufacturing**
- **Services**

The new development frameworks





Agriculture



Agriculture connects issues of poverty, sustainability, food security and gender equality

- By 2010, 78% of the extreme poor (< 1.25 a day) were in rural areas → rural deprivation reflected in socioeconomic welfare indicators
- Sustainability issues: climate change, loss of biodiversity, soil fertility, water scarcity
- Rural women play an essential role for nutrition/food security of the household
- Agriculture remains the most important source of employment for women particularly in the poorest countries: $\frac{3}{4}$ of employed women in LDCs work in agriculture
- Rural women face gender-specific challenges and discrimination in rural labour markets



Some observations

Role of women and men: Complex and to a large extent context specific

- Avoid oversimplifications
- ... still, many overarching similarities: scale of operations; control over commercial proceeds; size of markets; specialization of activities

Gender-based production and trade patterns reflect social norms and gender-specific difficulties in accessing productive assets and services

Women tend to face more obstacles than men → reduced productive potential



"Traditional" export cash crops

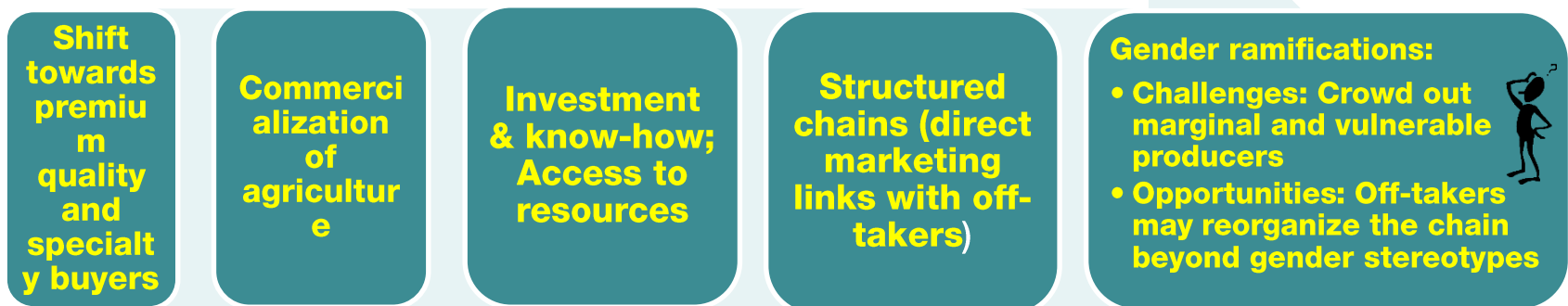


Gender-differentiated impacts of trade

Trade liberalization does not have clear-cut positive or negative effects on women

- e.g., cheap food imports resulting from trade liberalization benefit women as consumers. At the same time erode rural women's earnings as producers

New challenges



"Non traditional" export cash crops



Agro-industry

Typically female-intensive

Need to carefully weigh benefits and costs



Employment opportunities for women
on-farm (contract farming)
off-farm (agro-processing)



Quality of the work generated, associated socio-economic costs and new patterns of vulnerability

- Labour intensive + highly competitive environment (low-wages, no social protection, dismissal, etc.)
- Hazardous work (pesticides - pregnant women)
- Job segregation (unskilled nodes) and no skills development
- Vulnerability to external shocks



Gender-sensitive trade and rural development policies

- **Supply-side interventions:**
 - Subsidies for productive inputs
 - Investment in time/labour saving technology
 - Market information and extension services
 - Strengthening of women's associations/coop
 - Microcredit schemes
- **Agricultural trade policies include gender-impact assessment**
- **Corrective measures for affected vulnerable groups**
- **Incentives/disincentive**
- **Policy coherence**





Manufacturing



The "feminization" and "defeminization" of labour

- Women have been increasingly incorporated into export production. Positive correlation between a country's share of exports and the female share of employment though mostly in labor intensive industries
- Horizontal and vertical segregation → gender wage gap
- The gender wage gap indirectly improves international competitiveness
- Vulnerability to external shocks → changes in trade policy may have disruptive effects → Very difficult for female workers to relocate elsewhere
- Evidence that industrial upgrading (products with higher technological content or value added) often leads to a "defeminization of employment"



Women as small-scale producers

- Women enterprises tend to have low capital base, low productivity and be "survival oriented"
- Grow slowly and are generally less profitable than those headed by men

Trade liberalization:

- May provide opportunities to access new markets and increase earnings
- May be detrimental to MSMEs because of industry consolidation and expansion



Gender-sensitive policies

- Market diversification
- Investing in micro-entrepreneurial endeavours (off-farm activities for rural women)
- Enhance women's access to capital, credit, network and technology
- Creating industrial clusters
- Establishing trademark protection for handicrafts
- Setting training programmes to incentivize horizontal and vertical gender mobility
- Use the flexibilities built into trade and investment agreements



Services



Some observations

- By 2015, half of the global working population was working in services. More than 60% of working women were employed in services
- The kind of services women provide matters→
 - employment in medium/high skill services may empower women economically and socially
 - engagement in low productivity services may provide women with fewer opportunities for social and economic advancement



High-skilled employment

- Impressive proliferation of ICT → new opportunities for trading services that were once untradeable
- ICT sector has enhanced employment opportunities for women → narrowing the gender wage gap
- Gender-based occupational segmentation persists



Low-skilled and informal services

Tourism

Primary source of growth and foreign exchange earning in many developing and least developed countries

Tool for economic development, poverty reduction and women's empowerment

- Globally, women make up **60 -70 %** of labour force in tourism.
- Direct/indirect & formal/informal opportunities.
- Little or no formal training required.



Opportunities for women's empowerment...

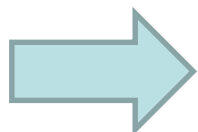


- Creation of direct employment:
 - hotels and restaurants employees
- Creation of indirect employment:
 - taxi drivers, gift shops, artisanal crafts, street vendors
- Source of income and empowerment
- Potential spillover effects:
 - promotion of cultural tourism, community-based tourism, business-related tourism, wellness and health tourism
 - consumer goods for hotels/restaurants outsourced locally from rural communities.



... with some qualifications

Quality of jobs available to women	<ul style="list-style-type: none">• Unskilled or semi-skilled occupations, e.g. cooking and cleaning;
Limited skill development	<ul style="list-style-type: none">• lack of tourism education and training
Job conditions	<ul style="list-style-type: none">• Vulnerable jobs: poor working conditions, exposure to violence, exploitation, harassment
Wage gap	<ul style="list-style-type: none">• Women earn in average 15 % less than male workers for comparable skills in the tourism sector;
Risks of tourism expansion	<ul style="list-style-type: none">• pollution & over-exploitation of natural resources;• potential for increase in prostitution and sexually transmitted diseases.



Tourism expansion = more opportunities for women. Yet, gender considerations need to be taken into account



Small-scale cross border trade (CBT)

- **Small-scale unrecorded trade is an important driver of regional economic integration and development**
- **CBT is a critical source of employment, particularly for the poorest or most vulnerable in the border regions, including women**
- **Small-scale traders, and in particular women traders, face disproportionately high trade-costs, elevated incidence of harassment, and other obstacles**
- **Due to the informal nature and scale of their activities, cross-border traders often lack access to support services that commercial traders can take advantage of, increasing costs and limiting growth**
- **Complex and overlapping trade policies/regulations developed by RECs are seldom understood and recognized by traders and border officials**



Gender-sensitive policies

- Training and skill enhancement for women employed in services
- Ensure that the value generated by tourism accrues to the local communities → revenue sharing schemes
- Training for customs officers and small scale traders about rights and obligations
- Simplify trade regulations and streamline procedures at the border
- Address supply side constraints, especially for women traders
- Encourage the gradual formalization of trade activities



The new global frameworks





The 2030 Development Agenda

- "To live no one behind"
- SDGs 1, 2, 5 and 16 and related targets&indicators:

-Women's access to productive resources
-Implementation of non-discriminatory legislation
-Creation of gender-sensitive development strategies



-Ending poverty
-Achieving gender equality and empowering women
-Promoting peaceful and inclusive societies

No explicit link between GEWE and trade



SDG 17 does not address the links between trade and overarching objectives, such as GEWE

Possible challenges

- Some Goals and Targets may benefit from more attention and more financing
- Some SDGs are more "transformative" than others → significant changes needed in the economy and society to fully implement them
- Implementation will be crucial → The high level of ambition that inspired the formulation of the SDGs should be maintained through implementation



The Addis Ababa Action Agenda

- "integral part of of the 2030 Agenda"; "supports, complements and help contextualize the 2030 means of implemntation's targets"
- GEWE  sustained, inclusive and equitable economic growth and sustainable development
- International trade  productive employment, decent work, WE, food security, SDGs **IF** appropriate supportive policies, infrastructure, educated workforce in place

Does the AAAA provide strong foundation to hold all stakeholders accountable for GEWE?



Possible challenges

- Contribution of women to growth and productivity versus UN social and economic rights
- Not sufficient emphasis on the role of States
- Ex ante gender assessment of trade and investment agreements





Thank you for your attention



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