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**POST-2015 POLICY BRIEF**



## TRADE, GENDER AND THE POST-2015 DEVELOPMENT AGENDA

**Goal 3 of the Millennium Development Goals – on gender equality – did not pay enough attention to inequality of opportunities which women experience as economic agents, while Goal 8 – the global partnership for development – failed to clearly elaborate how an open, rule-based, predictable and non-discriminatory trading system interacts with, and is conducive to, sustainable and inclusive development. The aim of this policy brief is to highlight some linkages between gender and economics, especially trade, in the context of the post-2015 development agenda and propose future targets and indicators for the areas covered by Goals 3 and 8. Indeed, only if women are economically empowered can they benefit from the opportunities arising from expanded trade. In turn, trade can play its role of “enabler” of development if flanking economic and social policies are in place. Coherent economic and social policies are needed.**

### The Millennium Development Goals and the post-2015 development agenda

Since 2000, the Millennium Development Goals have served to mobilize support and action on gender equality and development in different areas. Gender parity has been achieved in primary education in most countries, and the proportion of women in parliaments has increased substantially across regions. However, there are important areas in which progress has been less than satisfactory. For example, significant gender gaps exist in employment rates, social protection and secondary and tertiary education. Maternal mortality continues to be high, and official development assistance for gender equality remains inadequate.

Goal 3<sup>1</sup> – promote gender equality and empower women – has been criticized for focusing mostly on education and leadership and for not paying enough attention to the obstacles women experience as economic agents. Whether deriving from social norms or stereotypes, wage discrimination, labour market segmentation, women’s limited access to productive resources and women’s disproportionate share of unpaid care work all result in an inequality of opportunities

which greatly contributes to enduring gender inequality and ultimately reduces economic growth. Goal 8<sup>2</sup> – develop a global partnership for development – was to mobilize support from rich countries for development in the form of trade concessions, higher official development assistance, debt relief and capacity-building, but it has been found to be weak in design and lacking in implementation.<sup>3</sup>

Several observers have stressed that attempting to meet the Millennium Development Goals without promoting gender equality throughout the Goals risked raising the costs and decreasing the likelihood of achieving the Goals. Nevertheless, gender considerations are absent from several Goals and related targets and indicators.<sup>4</sup> Goal 8 seems to be particularly “gender blind”, despite the mutual relationship between trade and gender.

The ongoing debate on the post-2015 development agenda should recognize the linkages among the Goals and among the policies that will be necessary to achieve future sustainable development goals.

Trade policy affects economic growth and the structure of production and income distribution both within and between countries. The benefits

<sup>1</sup> Millennium Development Goal 3 promotes parity in education, women’s political participation and women’s economic empowerment.

<sup>2</sup> Millennium Development Goal 8 promotes cooperation on development assistance, debt sustainability and the further development of the trade and financial system.

<sup>3</sup> See, for example, *Millennium Development Goal 8. The Global Partnership for Development: The Challenge We Face*, United Nations, 2013, and *Post-2015: Global Action for an Inclusive and Sustainable Future*, European Union, 2013.

<sup>4</sup> Gender is explicitly addressed in Goals 3 and 5 and implicitly, in Goals 1 and 2.

from trade integration depend on a country's economic structure, how it is integrated into the global economy, the sequencing and pacing of reforms, the policy space it enjoys and existing productive capacities. Trade integration affects different groups of the population differently, depending on their location in the economy. For instance, workers in export sectors might gain, while those in import-competing sectors may be adversely affected; firms in the informal sector might come under pressure from imports; small-scale rural producers might be net losers, while large-scale commercial farmers might integrate successfully into global value chains. Each of these impacts also has an additional gender dimension, which needs to be taken into account in the post-2015 framework.

Gender and trade mutually affect each other. Trade and trade policies have a different impact on men and women, and in turn gender-based inequalities impact on trade policy outcomes and trade performance. The example of changes in the structure of production of a country due to trade expansion illustrates this, with some sectors expanding and others contracting as a result. Women and men tend to work in different sectors, with women clustered in fewer sectors and men more evenly distributed across occupations and productive activities. Because the gender roles in the households and labour markets are rather rigid, women are less likely to enter expanding non-traditional "female" sectors because of limited access to productive resources and training, and time constraints. Another example is trade liberalization policies that reduce the price of domestic agricultural goods. This may affect the income and livelihood of small and marginal farmers who are predominately women.

Gender-based inequalities can in turn affect trade performance. For example, during the 1970s, low wages for women in some Asian countries played a pivotal role in holding down costs of production in labour-intensive manufacturing export industries, making products competitive in the international markets. But women's lack of access to resources such as land, credit, training services and other productive assets, jeopardizes their ability to expand production and take advantage of export opportunities, thereby negatively affecting export response at the household and country levels. Policymakers need to take into account these differences for trade policy to play a critical role in narrowing the gender gap.

### **UNCTAD studies: Trade liberalization and gender equality**

UNCTAD proposals for the post-2015 development framework are based on evidence

gathered from studies conducted by UNCTAD on the gender impacts of trade liberalization in three sub-Saharan countries: Angola, the Gambia and Lesotho.<sup>5</sup>

The studies highlight the benefits or potential benefits of trade liberalization, but also outline its possible regressive impacts if existing gender-based inequalities are not addressed. The structural constraints that women face in Angola, the Gambia and Lesotho are not only quite similar to each other, they also reflect conditions that are widely prevalent in other low-income countries, thus underscoring the need to address them in the post-2015 framework.

In all three countries, women face common structural constraints including (a) segmentation in low-value added or subsistence-oriented work; (b) unequal access to productive resources; (c) low access to training and skill-building due to gender segmentation in education and labour markets and lack of resources (time and income); and (d) the heavy burden of care and domestic work.

In Lesotho, trade has created new sources of employment and income for women in the apparel industry as a result of the unilateral, non-reciprocal, duty-free and quota-free access to the United States of America market facilitated under the African Growth and Opportunity Act. However, these developments have also created new vulnerabilities for women in the form of low wages, segmentation in labour-intensive activities and employment in a volatile industry that is highly dependent on preferential access to the United States market. In Angola, female farmers are currently mostly subsistence-oriented and rather insulated from trade flows. However, as infrastructure improves and the domestic market becomes more integrated, they may increasingly be affected by foreign competition. Having limited access to extension services, credit and training, and facing considerable time poverty, female cultivators are poorly equipped to face competition. Finally, in the Gambia, the fisheries sector is also segmented along gender lines as women are concentrated in the small-scale and local trading and processing of fish, while men predominate in the large-scale, commercial and export market. This division of labour is the result of social roles that identify women with the household and restrict their mobility, translating into unequal access to productive resources in the fish value chain. In all three cases, trade and other policies will have to take these patterns of inequality into account so that divisions are reduced rather than magnified over time.

<sup>5</sup> See UNCTAD (2012) for Lesotho, UNCTAD (2013) for Angola and UNCTAD and Enhanced Integrated Framework (2014) for the Gambia.

## Recommendations for the post-2015 development agenda

### Promote gender equality by empowering women

UNCTAD's suggestion in the field of gender equality is to put greater emphasis on the preconditions necessary for women to become economically empowered. The current indicators of Goal 3 focus on women's education, political participation and share in wage employment in non-agricultural sectors. Eliminating gender disparity at all levels of education is among the preconditions for women to become efficient economic agents and benefit, for example, from expanded trade. Better educated women are more likely to have the skills required by integrated markets. Other preconditions, such as wage non-discrimination and access to productive resources, including information and communications technologies,<sup>6</sup> are also necessary. Indeed, trade can play its role of "enabler" of sustainable and inclusive development if appropriate policies in the economic and social sphere are in place. The following proposed targets and indicators complement the existing ones for the Millennium Development Goals and will be important to ensure gender equality in the context of post-2015 sustainable development goals:

*Target 1: Eliminate gender disparity in wages for similar work.* This could be assessed by the ratio of women's wages to men's wages for similar work.

*Target 2: Reduce women's poverty and share of vulnerable employment.*<sup>7</sup> This could be assessed through the following indicators: (a) unpaid women family workers and own-account workers as a percentage of total women's employment; (b) the proportion of working women below poverty line; (c) the ratio of women's employment to the overall population's employment; (d) women's share of non-agricultural wage employment; (e) women's unemployment rate; (f) women's share of informal employment and of permanent jobs.

*Target 3: Eliminate gender segmentation in the labour market.* This could be assessed through the following indicators: (a) the index of dissimilarity for occupations and sectors (among other areas);<sup>8</sup> (b) women's share of managerial, professional (including and excluding teaching, and including and excluding health workers) and clerical jobs.

*Target 4: Ensure women have equitable access to productive resources, including*

*financial resources.* This could be assessed through the following indicators: (a) women's share of landholding and immovable property; (b) women's share of bank/savings accounts; (c) women's participation in technical and vocational training programmes and in government support programmes (extension services, inputs, credit).

*Target 5: Ensure women entrepreneurs have equitable access to information and communications technologies.* This could be assessed by using as an indicator the proportion of microenterprises and small and medium-sized enterprises owned by women that have access to mobile phones and the Internet.

### Use trade as an "enabler" for development

UNCTAD's suggestion in the field of partnership for development is to address the gender dimensions of trade and investment policies, an area neglected in the earlier design of Millennium Development Goal 8. Target 8.A deals specifically with trade and refers to the development of an open, rule-based, predictable and non-discriminatory trading system. While achieving it would benefit all countries, Goal 8 fails to clearly elaborate how such a trading system interacts with, and is conducive to, development (UNCTAD, 2014b). The concept of a "Doha Development Agenda–Millennium Development Goals hybrid" (Sato Kan, 2013) was proposed as a tool to ensure that the trading system would not only contribute to the expansion of trade, but also drive social development. Indeed, the Doha Development Round in the trade sphere and the Millennium Development Goals in the development sphere have the same overall objective of improving people's lives. The two initiatives – and the future sustainable development goals – could therefore be mutually supportive. In this framework, trade should play the role of an "enabler" or a "means of implementation" in achieving inclusive and gender-equitable development. The targets and indicators proposed below in the context of post-2015 sustainable development goals are intended to facilitate this.

Another aspect of the trading system requiring further analysis is the trade-off between the benefits from binding trade policy at the multilateral or regional levels, and the need for flexibility to adapt trade policies to national circumstances ("policy space") (UNCTAD, 2014b). National circumstances may include, for example, the need to expedite, delay or

<sup>6</sup> On the relevance of information and communications technologies for women entrepreneurs, see UNCTAD (2014a).

<sup>7</sup> Similar concerns about productive employment for women are presently addressed in Goal 1, target 1b.

<sup>8</sup> This index and others assume that segregation results in a different distribution of women and men across occupations/sectors: the less equal the distribution, the higher the level of segregation.

exempt trade liberalization in some sectors in order to enhance women's employment and women's economic empowerment (UNCTAD, 2009).

While the success of the World Trade Organization's Ministerial Conference in Bali, Indonesia, reinstated faith in the multilateral trading system, the road ahead may not prove easy. Some of the difficulties that member countries faced in Bali were due not only to divergent interests among different groups of countries, but also to the difficulty of aligning domestic development objectives with multilateral trade commitments (Jatkar and Mukumba, 2014). To make the trading system an enabler of inclusive development, the revitalized trade talks should deliver on areas that are beneficial to a wide range of countries and of people within countries.

UNCTAD proposes a number of future targets and indicators:

*Target 1: Ensure that gender impact assessments are conducted for trade and investment agreements. Provide support to developing countries for the assessments.*

*Target 2: In addition to assessing the openness, predictability and non-discriminatory nature of the international trading system, evaluate and monitor how trade contributes to inclusive development and to reducing inequalities, including those based on gender. This could be assessed through the following indicators: (a) women's share of seasonal jobs; (b) the gender wage gap, work conditions and social benefits in the sectors*

affected by trade (export-oriented and import-competing sectors); (c) women's unemployment and underemployment rates in import-competing sectors; (d) the incidence of workplace accidents in sectors affected by trade.

*Target 3: Ensure that industrial upgrading linked to export expansion does not exclude women. This could be assessed by using as an indicator women's share of high-skilled, managerial and permanent jobs in export-oriented sectors.*

*Target 4: Ensure that women and men adversely affected by trade are adequately compensated and/or reintegrated into the labour market. This could be assessed through the number of retraining programmes for displaced workers disaggregated by sex.*

*Target 5: Provide gender-sensitive social safety nets to address economic insecurity and volatility due to trade. This could be assessed through the following indicators: (a) coverage of unemployment insurance; (b) coverage of cash transfer and nutrition programmes for the unemployed and underemployed population disaggregated by sex.*

Monitoring compliance with the above-mentioned objectives would require the availability of a broad range of data and information. Many developing and least developed countries will require technical and financial support for this purpose.<sup>9</sup>

<sup>9</sup> The 2013 report of the Secretary-General to the General Assembly on the Millennium Development Goals (A/68/202) states that advances in information technology represent an opportunity for a "data revolution", if the necessary support is provided to developing countries.

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