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UNCTAD XI and the Gender Implications of the multilateral trading system

Round Table on Trade and Gender, 15 June

[Also available in Portuguese]
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In conjunction with the High-level Round Table on Trade and Gender, which takes place today in São Paulo as part of UNCTAD XI, the UN Inter-Agency Task Force on Gender and Trade is launching Trade and Gender – Opportunities and Challenges for Developing Countries. The book is intended to sensitize policy makers on the gender implications of trade, to foster discussion among experts and to provide a good basis for consensus-building.

The book, to which numerous members of the UN Task Force contributed, tackles a number of issues.

- An increase in trade and investment in the labour-intensive sectors of goods and services markets (such as textiles and clothing, footwear, horticulture, data processing, service outsourcing or offshoring) has provided a window of opportunity for women's employment. The freer temporary "movement of natural persons" has also increased income-earning opportunities for women workers.
- In agrarian economies, however, when import expansion has displaced domestic production, women often bear the brunt of the cost of adjustment. The removal in developing countries of domestic support to small-scale farmers, most of whom are women, may result in widespread job losses.
- A large, cheap and low-skilled female labour surplus has often provided the competitive edge for export-oriented and labour-intensive industries in developing countries. This has contributed in many countries to maintaining large wage differentials between male workers (mostly skilled) and female workers (mostly unskilled), despite increases in exports. Women are still earning less than men and are stuck in the lower end of the pay and skills scales.
- The liberalization of services has the potential to enhance the efficiency and competitiveness of developing countries, but it is important to ensure fair access to basic resources and services for the poor and for women.
- Multilateral trade commitments and agreements can affect women and gender equality in different ways: market access measures can lead to the expansion of production in sectors where women are predominantly employed; trade rules in some instances can limit the capacity of governments to apply policies in support of gender equality; and reduction of tariff revenues can have an impact on governments' social protection programmes in favour of women.

It is recommended that measures be adopted on the one hand to enhance beneficial impacts, for example by improving market access, and on the other hand, to mitigate negative impacts by helping displaced small-scale women producers to adjust to

trade liberalization. This will make the objective of an open and rule-based multilateral trading system consistent with the objective of gender equality. Capacity-building for policy makers, and the use of specific analytical tools designed to assess the impacts of trade on gender equality, appear to be essential in this respect.

Skill enhancement and capacity-building remain fundamental to helping women take full advantage of the opportunities offered by international trade. Governments also have a role to play in addressing failures in the labour markets and ensuring gender equality in the workplace.

Fair trade initiatives are also encouraged to stress gender equality standards. In addition, corporate social responsibility of multinational companies is called for to ensure gender equality in their production and supply chains.

CONTACTS

Press office in Geneva
T: +41 22 917 5809
F: +41 22 917 0051
E: press@unctad.org

Press office in São Paulo
T: +55 11 72039243
F: +55 11 62242422
E: press@unctad.org

A-N Tran-Nguyen
T: +55 11 7203 9248
F: –
E: anh-nga.tran-nguyen@unctad.org

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**Trade and Gender:
Opportunities, challenges and the policy dimension**

Note by the UNCTAD secretariat

Executive summary

Gender equality is a universal goal which is enshrined in many international instruments such as the Charter of the United Nations, the Universal Declaration of Human Rights (1948), the Convention on the Elimination of all Forms of Discrimination against Women (1979). The Fourth World Conference on Women in 1995 adopted the Beijing Declaration and Platform for Action, indicating strategic objectives and actions in a number of areas, and notably on the role of women in the economy. The Millennium Declaration adopted by Heads of States at the Millennium Summit in 2000 reaffirmed the primacy of poverty alleviation and gender equality as development goals. While gender equality is a fundamental principle that should be respected in all societies, it is important to analyse the relationship between gender equality and development in order to ensure that the development process fully integrates gender equality concerns, and that, in turn, the pursuit of gender equality objective is supportive of growth and development. Trade as the most important form of globalization and source of growth and development can have important implications, both positive and negative, for gender equality. Policies and measures to promote gender equality and to address any possible setback need to be identified, bearing in mind the development needs of developing countries. Based on an analysis of the gender impact of trade, a number of policies and measures can be suggested in the areas of export-oriented development strategy, employment conditions, trade policies, multilateral trade rules, capacity-building and financial support for women entrepreneurs.

Introduction

1. Gender equality is a universal goal which is enshrined in many international instruments such as the Charter of the United Nations, the Universal Declaration of Human Rights (1948), the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW, 1979). The Fourth World Conference on Women in 1995 adopted the Beijing Declaration and Platform for Action, which indicated strategic objectives and actions in a number of areas, and notably on the role of women in the economy. The Declaration identified the need for more analysis on the impact of globalization on women's economic status. Among the many actions to promote women's economic rights and independence, including access to employment, appropriate working conditions and control over economic resources, it was recommended that Governments seek to ensure that national policies related to international and regional trade agreements do not have an adverse impact on women's new and traditional economic activities. The Millennium Declaration adopted by Heads of State at the Millennium Summit in 2000 reaffirmed the primacy of poverty alleviation and gender equality as development goals.
2. While gender equality is a fundamental principle that should be respected in all societies, it is also important to analyse the relationship between gender equality and development in order to ensure that the development process fully integrates gender equality concerns, and that, in turn, the pursuit of gender equality objective is supportive of growth and development. Trade as the most important form of globalization and source of growth and development can have important implications, both positive and negative, for gender equality. Policies and measures to promote gender equality and to address any possible setback need to be identified, bearing in mind the development needs of developing countries.
3. Nearly 60 years after the creation of the UN Commission on the Status of Women in 1946, important progress has been achieved in some areas, notably with regard to women's participation in the labour force, a narrowing of the wage gap between men and women in some countries and an improvement in the level of education of women. However, women's role and position in the economy in the majority of countries in the world are still at a disadvantage as compared with men (ILO, Global Employment Trends for Women, 2004). Despite the recognition of gender equality as a legitimate goal for humanity at large, why do gender inequality and discrimination against women persist in the working place?
4. Many reasons contribute to this situation. In many societies, cultural, religious, or family norms continue to confine women to certain roles and are barriers to their participation in economic life on an equal basis as men.¹ Furthermore, women carry the reproductive functions within the family, including care for children and the elderly; this results in a division of labour within household which makes it difficult for women to have a full-time job in the labour market. Even if women overcome household problems and participate in the labour market, the discrimination against women may persist, even though it is not economically efficient, because the prevailing gender order gives more authority to men in society. Consequently, in order to preserve this authority, men would tend to exclude women from their decision-making networks.² Another explanation is related to the lack of information that employers may have on their women employees; consequently, employers tend to underestimate the productive potential of women and, thereby, pay them less and confine them to lower grade occupations. Thus, occupational segregation remains strong despite progress made by

¹ See Tzannatos (1999), Dollar D and Gatti R (1999).

² For an economic analysis of gender inequality in the labour market, see Elson D (1999).

women in educational attainment. Unless gender norms and perceptions are challenged, discrimination against women in the working place will persist.

5. Thus, the root causes of gender inequality lie in social norms, linked to the traditional reproductive functions of women, and manifested by the male dominance and authority at home and in the working place. These factors contribute to weaken women's capacity to earn their own income, as they find difficulties to access resources (such as land and credit) and other basic services (such as education and health care). Having an inferior role in society, their bargaining power at the working place is consequently weak, the more so as they do not have the experience of organizing among themselves as a negotiating or lobbying group. The outcome in terms of role and status of women in the economy is reflected in insufficient participation in the formal labour market, poor conditions of work and quality of employment, job segregation (occupational stereotypes), lack of empowerment and wage inequality for the same job as men. This situation is summarized in the following chart.

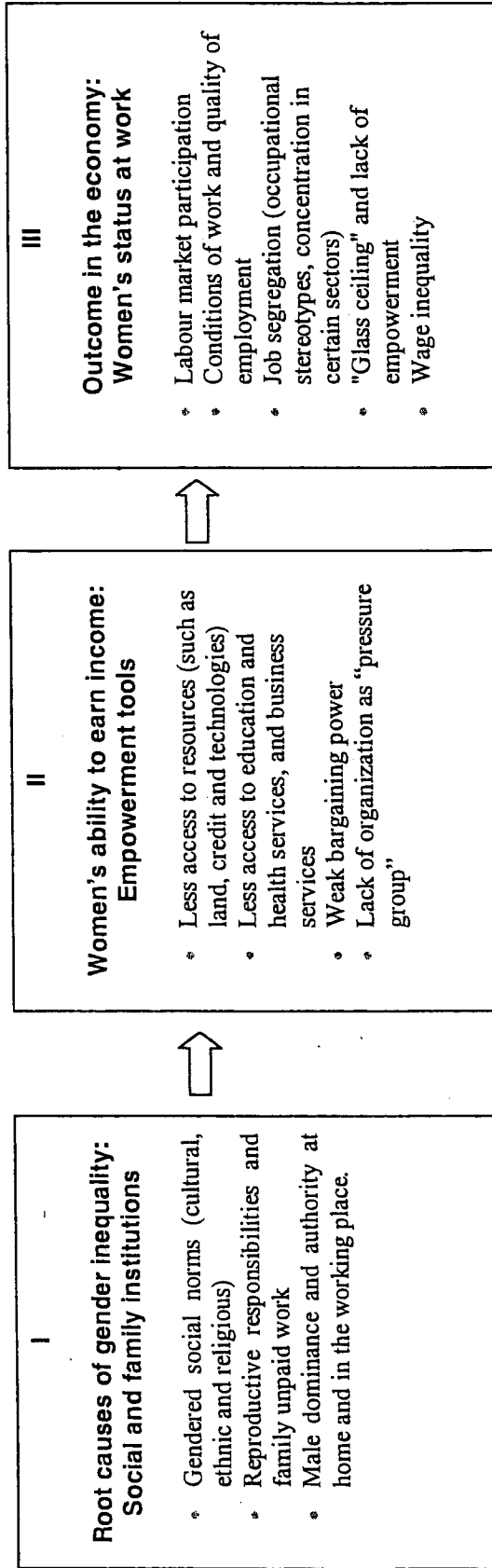
6. Gender inequality in the economy has, thus, many dimensions, involving inequality in opportunities (capacity to earn income) as well as outcomes. These dimensions may be expressed in terms of:

- * Employment opportunities: opportunities to participate in the labour market in all sectors (horizontal distribution of activities) and all occupations (vertical distribution of activities in a profession);
- * Returns to labour (wage equality);
- * Conditions of work and quality of employment³;
- * Access to basic services (such as health and education);
- * Access to resources (such as land, credit, business services);
- * Empowerment (participation in decision-making);
- * Distribution of income inside and outside household (or poverty levels).

7. Women as wage earners, entrepreneurs or self-employed (home-based) workers are affected by the factors listed above. The contribution of growth and development to gender equality should be assessed against these factors. Because of its multi-dimension character, gender equality cannot be fully achieved if progress is made in only one or a few areas.

³ The quality of employment and conditions of work would include the following factors: sustainability and regularity of employment, social protection (health, maternity, unemployment, pension), working time, intensity of work, occupational risks, possibility of career advancement or skill upgrading and social status attached to a job.

Chart 1. Schematic description of gender inequality in the economy



Gender gap: The current situation

8. There has been an increasing proportion of women in the labour force in all regions, except in two regions (Table 1). By the year 2002, women in the world constituted 40 per cent of the total economically active population, while in North Africa and West Asia, the share of women has stagnated around a quarter of total labour force since 1960.

Table 1. Share of women in total economically active population

Region	1960	1970	1980	1990	2002
World	36.5	37.8	39.0	40.4	40.7
Developing countries	37.5	38.4	39.1	40.0	40.1
Africa	39.8	40.1	40.2	39.7	40.5
Northern Africa	24.0	26.0	27.4	25.2	25.7
Sub-Saharan Africa	43.4	43.3	43.0	42.8	43.6
Latin America and the Caribbean	20.9	23.5	28.0	33.5	38.9
Central America and the Caribbean	20.4	23.1	28.7	31.8	35.0
South America	21.1	23.8	27.6	34.3	40.6
Asia	37.1	38.0	38.9	39.9	39.5
West Asia	28.8	27.2	26.1	23.9	26.1
Central Asia	42.5	46.9	47.8	46.1	47.0
South, East and South-East Asia	37.4	38.3	39.3	40.5	40.0
Oceania	38.4	38.5	39.3	39.5	42.9
Central and Eastern Europe	46.4	47.8	47.8	47.3	47.8
Developed countries	32.3	35.2	38.7	42.4	44.1
America	31.2	35.9	40.9	45.0	46.0
Europe	31.2	33.5	37.2	41.0	43.5
Others	37.4	38.0	38.1	40.8	41.4

Source: ILO

9. A recent ILO survey on the global employment trends for women (ILO, 2004) has also indicated that the labour force participation rate, (expressed as the share of employed plus unemployed people in comparison with the working-age population) is also high for women, except in the regions of Middle East and North Africa and in South Asia. However, the female labour force participation rates are still below the male labour force participation rates by a large margin.

10. Another aspect of the gender distribution of employment is job segregation, as reflected in the concentration of men and women in certain typical professional occupations. An authoritative book on gender and jobs (Anker, 1998) analysed the sex segregation of occupations in the world. Women have limited labour market choices throughout the world, as women tend to work in a small set of occupations. In addition, the most important occupations for women represent relatively poor jobs in terms of pay, status, decision-making authority and career opportunity. Women are frequently employed in such jobs as: nurses, secretaries/typists, maids/housekeepers, bookkeepers/cashiers,

building caretakers/cleaners, caregivers, tailors/sewers. In other occupations such as teachers, bookkeepers/cashiers, cooks/waiters/bartenders, which used to be female-dominated, men in many parts of the world are able and willing to take up these jobs. Typical male occupations are: architects, engineers and related technical workers, managers, production supervisors and general foremen, protective services workers, blacksmiths, toolmakers, bricklayers, carpenters and other construction workers.

11. The main occupations for women workers throughout the world have characteristics which are highly consistent with typical female stereotypes such as a caring nature, honesty, manual dexterity, experience and skill at typical household activities, and willingness to be subservient and take orders.

Gender equality and growth

12. While social norms continue to be the root cause of discrimination, economic growth can play an important role in reducing barriers to gender equality and eventually contribute to a change in gender social norms and perceptions. Many studies have found a strong correlation between gender equality (often measured as the educational gap between men and women) and economic growth, either on a cross-country comparative basis or on a time series basis for particular countries. Correlation could indicate a causal relationship in any direction, and explanation can be found for the role of growth in closing the gender gap or for the role of gender equality in enhancing the growth process.

13. There is enough evidence on the positive impact of growth on gender equality, either on education or employment. The explanation is straightforward. As income grows, families are more willing to allocate resources to the education of girls, and growth also creates more jobs which can absorb the entry of more women in the labour market. The rise in the level of education of women also allows more women to be employed. Ultimately, a more active female participation in the labour force will contribute to changing social norms and perceptions about men's and women's roles in society.

14. While the impact of growth on gender equality is well understood, what can be said about the role of gender equality in the growth process? A number of studies have pointed to the positive impact of gender equality, mostly measured in terms of education levels, on growth⁴. The growth impact of female education is transmitted through its negative effect on fertility and the increase in productivity. The fall in fertility induces a decline in the population growth rate, lowers the dependency burden, thereby increasing per-capita income and savings and increasing investment in human capital. This will in turn increase productivity in the economy. Besides this effect on productivity via increased investment in human capital, gender equality in education has a direct effect on productivity by removing the selection-distortion factor: because of gender inequality, able girls do not get the chance to be educated. As a result the innate ability of those who get educated may be lower than it would be the case if boys and girls received equal educational opportunities, lowering, thus, the quality and productivity of human capital. There is also an externality factor of gender equality in education, as female education is believed to promote better education of children, through the support and general environment mothers can provide their children.

15. The same argument of "adverse selection" would apply to gender inequality in employment: competent women could be overlooked because of gender discrimination. In addition, a lack of access to other services and resources, such as land, credit, technology (including information and

⁴ A. Benavot, 1989; M.A. Hill and E. King, 1995; R. Barro and J.W. Lee, 1996.

communication technology), would in all likelihood reduce the productivity of women as small entrepreneurs and workers and, thereby, reduce the output for the economy as a whole.

Trade and Gender

16. This leads to the examination of the relationship between trade and gender. In what way trade can affect the different dimensions of gender equality? Does the multilateral system (understood as a set of multilaterally agreed rules governing trade liberalisation and trade relations among states) has any impact on gender in terms of opportunities and outcome (to the extent that outcome is influenced by regulations and policies)?

17. Opening the economy to trade is often seen as bringing benefits in terms of broad-based and sustained growth, as trade will entail a more efficient allocation of resources in the world economy. Trade also allows an exchange of knowledge which is embodied in the traded goods and services, as well as a spreading of technology and, thereby, a significant increase in the productivity of human and physical capital. Countries will increase their welfare as the demand for goods that they can export on a competitive basis will expand, and the prices of other goods that they consume but do not have a comparative advantage to produce will decrease. To the extent that on a net balance, domestic production expand, income and employment opportunities for the economy as a whole will also increase. In contrast, when the supply capacity of countries is weak and does not allow them to benefit from international trade opportunities, rapid trade liberalization before the building of this supply capacity might bring more pains than gains, in terms of reduction of domestic output (because of competition from cheaper imports), chronic and unsustainable balance of payments deficit, capital flight (as there is no viable domestic investment).

18. The overall effect of trade on the economy will affect women, in the same way as economic growth and development has a gender impact, as seen in the earlier section. Economic downturn, on the other hand, might affect more women than men, because, in general, women constitute a more vulnerable group in the population.

19. Beyond the general economic impact, within the same country there are winners and losers from trade liberalization, because different sectors of production can gain or lose from international trade, because certain categories of workers or population have fewer capabilities to absorb adjustment costs, and because international competitive pressure to reduce costs of production affect differently workers depending on their skills or specialization. Women can gain if the sectors in which they are mostly active expand, or if they have the required skills. However, women, especially in the poor rural areas and urban informal sector, have fewer assets to weather the shocks of trade liberalization, and women, because of their weak bargaining power, will often be the victims of international cost competition.

20. Integration in the multilateral trading system can also have a differential effect on the welfare of men and women in several ways. Government's sources of revenue are negatively affected by a reduction in tariff receipts. Multilateral rules might also alter domestic regulations in favour of women, or restricts the options open to governments in the pursuit of their national economic and social objectives, including the objective of gender equality.

21. In sum, trade can affect gender equality in different ways:

- * through a positive or negative impact on growth and employment opportunities;
- * through competitive pressures which may reduce or encourage gender discrimination, in particular wage differentials;

- through facilitating or raising barriers to access by women to resources and services;
- through multilateral trading rules which may facilitate or constrain Governments to apply policies or regulations to address gender inequality.

22. Trade brings new opportunities for employment for women in developing countries. Export-oriented industries in developing countries, almost without exception, have relied on the massive contribution of low-cost female labour. In low-income countries, there is large pool of female labour surplus, resulting in a very elastic supply of labour, mostly unskilled. Intensified cost competition among low-income countries for labour-intensive exports might drive further down wages of women employed in these industries, and lead to worsened conditions of work. The preferential demand for female labour is generally related to the female characteristics such as docility, dispensability and greater amenity to discipline (Fontana, Joeke and Masika, 1998). The type of jobs also tends to be precarious. Employers prefer young women, without any family responsibility, who are more readily to accept part-time or flexible hours, or seasonal work.

23. Such a strategy to develop export industries mainly or exclusively on the basis of cheap labour cannot be sustainable. Short term gains can be reaped in terms of market shares, but fierce competition among low-income countries will drift away the competitive advantage of early movers, towards countries with even cheaper female labour surplus. Under such a scenario, neither long-term development gains nor gender equality (in terms of equal returns to labour) can be achieved. Countries need to implement a long-term strategy to increase the technological content of their exports, moving up the ladder of supply chains. This strategy should also ensure gender equality in education and training, so that women's qualifications for employment rise in tune with the rise in technological capabilities of the exporting country.

Gender aspects of multilateral trade agreements and commitments

24. Multilateral trade is governed by a set of commitments contained in multilateral agreements (primarily WTO agreements), regional and bilateral arrangements which generally aim at reducing barriers to trade (and investment). Such liberalization commitments can affect women and gender equality in different ways.

25. In the agricultural sector, the gender aspects of agricultural production are more complex, and, therefore, the effects of different agreements on the employment of women are also complex. Men and women in developing countries have different roles: the majority of women are engaged in subsistence agriculture and are responsible for food security in the household, while men are concentrated in the sector producing export crops. The liberalization of imports of agricultural products tends to disadvantage women producing subsistence food. Recently, women are also employed in the non-traditional agricultural exports (NTAE) sectors, which have benefited from the preferential access to developed country markets provided by the Lomé and now Cotonou Convention between the EU and African, Caribbean and Pacific (ACP) countries. The erosion of these preferences after the Uruguay Round is likely to affect the prospects of NTAE and female employment in this sector in the ACP countries.

26. In the manufacturing sector, the Agreement on Textiles and Clothing (ATC) can have a significant impact on the employment opportunities of women in some countries. The phasing out under the ATC of the quota system of the Multi-fibre Arrangement (MFA) will lead to further liberalization of the sector, which will see winners and losers in the process. There is a risk that women workers in this sector in some least developed countries will be particularly affected, as production will move to large countries with a huge female labour surplus.

27. Little is known about the impact of trade in services on the access of women in basic services (education and health), as well as on access to resources (capital and credit) and other business services. Women, and especially poor women, are generally disadvantaged in their access to basic services (education, health care), utilities (water, energy), as well as other services, such as financial services, telecommunications and information technology services, and business services. Access barriers can come from social norms or customary laws, but often are related to high costs of services or their poor distribution networks unsuited to the small-scale activities of women. The question is whether the liberalization of trade in services reduces or increases these barriers.

28. Exports of services and enhanced access to the markets of developed countries will increase the income and employment opportunities for women, providing, thus, the means to acquire other services. On the import side, the liberalization of services can entail benefits and costs for women as a disadvantaged group (and also for the poor in general).

29. Opening up the services sectors can certainly benefit host countries by enhancing their efficiency through additional investment, upgrading of technology and infrastructure, generating opportunities for employment and training, and increasing the quality of services provided. The benefits may vary according to the sectors concerned. In such sectors as transport, finance, communications and information technology, it is important for a country's international competitiveness to adopt, acquire and upgrade modern infrastructure and technologies. However, the challenge for Governments is to broaden the access of the poor (the majority of whom are women), especially in rural areas, to these services, through appropriate regulations on pricing practices, cross-subsidization, resource transfers, etc.

30. In the sectors such as education and health care, the liberalization of these sectors through foreign commercial presence can also bring benefits in terms of the upgrading of infrastructure and technology, better quality and specialization of services. However, this may result in prohibitive prices for the poor segments of the population, if public subsidies for poor consumers are eliminated or public funds are used instead to finance huge initial public investments to attract foreign investment. Or at best, this may result in a two-tier provision of services, with a private supplier providing higher quality services to the affluent, and a public supplier which is underinvested and resource-constrained, catering to the lower-income groups, among which a large number of women are included. Governments can address these inequities in the distribution and quality of such services by promoting linkages between the public and private segments, through such means as cross-subsidization, reservation of some places for the poor in private institutions, promoting professional collaboration and exchange between the public and private suppliers, and taxing the foreign and domestic commercial segment to raise resources for the public segment (Chanda, 2003).

31. The liberalization of services can have the potential of enhancing the efficiency and competitiveness of host economies, but at the risk of creating or worsening inequities for the poor and for women. In some cases and some sectors, there is a need to protect and support domestic small-scale suppliers of services (very often women-owned small enterprises), which can respond in a more efficient and flexible way to the needs of women consumers. In other cases, the access by the poor and women to basic services needs to be preserved by appropriate Government policies and regulations to address market failures. In the final analysis, there is generally a need for strong domestic regulations to be put in place before moving ahead with the liberalization of many services sector, in order to preserve the ability to pursue development and social objectives, including gender equality, and the stability of the financial and economic systems of host countries.

32. Multilateral trade rules can also affect Governments export promotion programmes to help firms owned by women, minorities or other disadvantaged groups through the provision of subsidies. In the goods sector, the Agreement on Subsidies and Countervailing Measures (SCM) may cause problems for such programmes.

33. And finally, trade liberalization, by reducing tariffs and tax revenue derived therefrom, may affect Governmental social protection programmes. Those countries that are particularly vulnerable to revenue reductions are those where customs duties and tariffs provide a significant portion of fiscal receipts. Lower Government revenues may, for example, jeopardize the financing of social safety nets, which consist of pension, unemployment benefits and food transfers. These safety nets are provided to cushion the poor against the costs of adjustment as the composition of output and employment changes in response to trade liberalization. As women constitute a vulnerable group of the population, they are most likely the primary beneficiaries of these safety nets.

Conclusion: The policy dimension

34. International trade can influence the growth process and gender equality in different ways. Trade enlarges markets by facilitating the inter-country flows of goods and services and an exchange of technology and information, contributing thereby to growth and development. But trade liberalization does not always bring benefits and can entail high costs and misery if domestic production is displaced in countries with weak supply capacities which do not allow them to grasp opportunities to access global markets. Trade-induced growth will benefit all, men as women. However, within the same country, the benefits and costs of trade can be distributed differently between men and women, because the society assigns different roles to men and women and, henceforth, gender inequality is persistent. For the reasons seen above, women constitute a vulnerable social group and special measures need to be taken to allow women to advance and to shield them from excessive costs of adjustment.

35. A gender analysis of trade and trade liberalization in developing countries has brought to light some facts:

- (a) Increase in trade and investment in the labour-intensive sectors of the goods and services markets has provided numerous employment opportunities to women, in both the formal and informal segments of the labour market. In agrarian economies, however, when import expansion has displaced domestic production, women often have to bear the brunt of the costs of adjustment.
- (b) A large and cheap female labour surplus has often provided the competitive edge for the export-oriented and labour-intensive industries in developing countries. Conditions of work for women in these sectors have not always been good. This cheap labour policy has not contributed to close the wage gap between men and women. Global market forces have not reduced the gender-based wage differentials in practically all countries in the world. Moreover, in countries which have succeeded to move up the technology ladder, female labour force has tended to lose importance, as women have become more disadvantaged in terms of technical qualifications.
- (c) The liberalization of services in particular has the potential of enhancing the efficiency and competitiveness of host economies, but at the risk of creating or worsening inequities for the poor and for women in their access to basic resources and services.
- (d) Multilateral trade commitments and agreements can affect women and gender equality in different ways: in securing or jeopardizing market access in sectors where women are

predominant; in potentially affecting Government export promotion programmes to help businesses owned by women (or other disadvantaged groups); in potentially limiting the capacity of Governments to regulate in support of their development and social objectives (including gender equality); in reducing tax revenue derived from tariffs, thus, potentially affecting Government social protection programmes in favour of women.

36. Based on the problems identified above, a number of policies and measures can be suggested.

Export-oriented development strategy

37. The use of cheap female labour surplus, in the context of international production networks of global value chains, has allowed some countries to develop competitive export-oriented industries. However, the strategy of relying on cheap labour is not sustainable: either wages will increase with economic development, or female wages will purposely be maintained at a low level unless women get more organized and gain more bargaining power. A “virtuous circle” of development would require that countries capitalize on their early success to develop human capital, upgrade skills and technologies, in order to move away from the low value-added and labour-intensive exports. This strategy should also provide opportunities for women to upgrade their skills and qualifications, thus contributing to providing a firm basis for an increase in the productivity and competitiveness of export industries, as well as gender equality.

Employment conditions

38. Improving working conditions and ensuring equality at work should be the objectives. Proactive measures or laws aiming at ensuring non-discrimination in the employment of men and women and the balance between work and family responsibilities could be taken, in lines with the different ILO Conventions adopted in this respect. In addition, TNCs, either in a producer-driven or buyer-driven commodity chain, can be encouraged to adopt gender sensitive codes of conduct leading to better working conditions for women.

Trade policies

39. The sequencing and pacing of trade liberalization should take into account the impact of such liberalization on gender equality. There is generally a need for adequate domestic regulations to be put in place before moving ahead with liberalization, in order to preserve the ability to pursue development and social objectives, including gender equality, and the stability of the financial and economic systems of the countries concerned. In the manufacturing sector, attention needs to be given to market access issues in sectors employing predominantly women.

Multilateral trade rules

40. Multilateral trade rules may sometimes have differential effects by gender. In this respect, it is important that issues such as those related to the right to food and health need to be paid particular attention, if the trading system is to make a contribution to sustainable development in line with the Millennium Declaration objectives.

Capacity building and financial support

41. Governments can enhance the capacity for women to compete in business or in the labour market, through training, provision of subsidized services or financial support. An area of particular importance is the information and communication technology services, which offer women

opportunities to do business in more efficient ways in a globalizing market. Programmes to support women entrepreneurs are also crucial for the development of small and micro-enterprises owned by women.

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São Paulo, 13–18 June 2004

ROUND TABLE ON TRADE AND GENDER

15 June 2004 – Summary prepared by the UNCTAD secretariat

1. The Round Table focused on four main themes:
 - Government policies to reduce the gender gap and enhance gender equality in the context of trade liberalization;
 - Multilateral trade commitments and the development objective of gender equality;
 - The contribution of international trade to poverty alleviation and gender equality; and
 - Capacity building for trade and enterprise development.

2. Gender inequality is characteristic of all societies. Deep-seated attitudes regarding the primacy of women's reproductive role are the basis of pervasive inequalities between men and women in social and economic life. Governments can and must act to change this situation, and experience shows that concerted policies can be effective.

3. Trade liberalization has yielded many new market opportunities for women, particularly in employment in export manufacturing and services, but it cannot replace adequate national policies to reduce gender inequalities. In the context of trade, specific national measures need to be put in place to reduce gender inequalities to enable women entrepreneurs and workers to take advantage of new market opportunities where they arise, and to reduce women's vulnerability to negative shocks from trade. Attention should also be paid to certain types of trade that have unintended, negative effects on women producers, for example food aid and imports of second hand-clothing. Moreover, countries see the greatest developmental and poverty reduction benefits from trade when gender equality policies are in force. Round Table participants recommended that the following types of *domestic measures* be taken to address gender inequality in the context of international trade:
 - Improvements in women's and girls' access to education and skills;
 - Measures to reduce discrimination in labour markets;
 - Access to export market information and credit (not just micro-credit) for women entrepreneurs;
 - Gender equality in rights to land and other productive resources;
 - Reduction of violence against women, without which they cannot benefit from other rights;

Support to women in their reproductive roles, for example in child-feeding programmes and crèches;

Mainstreaming, consistency and proactive implementation of gender equality policies throughout all government departments.

4. In respect of specific trade policies, the commitments that Governments are prepared to make and the concessions they are prepared to grant in international trade negotiations are the consequence of policy-making processes at home. These should be informed by analysis of the expected impacts of alternative policies on different social groups and economic interests. Countries that have concerted gender equality policies in place should see the fruit of such policies reflected in the position taken by the Government in trade negotiations. The Round Table recommended in this connection that *ex-ante* gender impact assessments be carried out as a matter of course. Studies to date suggest the following elements for *national trade policies*:

Developing countries should draw up a common list of gender-sensitive products and prioritize demands for reduction of developed country subsidies and market access restrictions on this basis;

Reduction of developed country agricultural subsidies would result in improvements in domestic market prospects for many women's crops;

Reduction of tariff escalation would result in the creation of many jobs for women in food-processing industries;

Reduction of barriers to trade in services, and in particular to the movement of services providers, would greatly enhance female employment opportunities;

Continued improvements in non-agricultural market access would result in further employment opportunities for women; and

Ever-increasing product standards (SPS and TBTs) are especially problematic for women, whose farms are small and under-resourced.

5. Recommendations were also made for *international agencies*, notably UNCTAD itself, as follows:

The Inter-Agency Task Force should continue with its diagnostic and analytical work and thereby continue to raise policy makers' awareness of the gender impacts of trade expansion and the gender effects of prospective changes in trade policies;

A methodology for the *ex-ante* gender impact of trade policies needs to be developed;

Trade-capacity-building efforts need to be continued and improved, including by taking into account the constraints that reproductive tasks impose on women entrepreneurs' participation;

Partnerships need to be fostered between poor women producers in developing countries and commercial buyers in the North with a view to increasing their ability to access developed country markets.



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