

# Trade, gender and social inclusion



Gender, Social Inclusion & Trade  
Working Group

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# Core work of the Project

Our aim is to reach a new, **integrated understanding** of the dynamics of international trade and other social inequalities (primarily gender but other marginalised social groups too).

- show how trade negotiations and agreements can be shaped to promote socially equitable outcomes.
- explore the respective role of trade and domestic policies in supporting 'women's economic empowerment' (WEE). The UN SDGs, to which all governments are committed, are a good guide to domestic interventions to reduce gender inequality. SDGs say nothing of the role of trade.

Great progress in health and education. Progress in political representation is less than high profile leadership changes suggest; and **progress in removing economic inequalities** is very slow. Not surprising to a trade negotiator: most difficult things come last, and money is power.

We seek to understand the **impacts of trade expansion** on economic inequality by gender, **identify** which positive impacts can be boosted and which negative effects overcome or **moderated**, and show **how this is being done** in practice in modern trade agreements and programmes.



# New and old trade problems

- **Old problems:**
  - Trade of all kinds – international and domestic - contributes to the intrinsically unequalising tendencies of all unmanaged markets
  - Unbalanced distribution of gains from trade, and exacerbation of vulnerabilities.
- **New challenges – future opportunities increasingly problematic, disruption even greater**
  - Increasingly demanding conditions for entry to international goods markets (digital infrastructure, logistics, and labour, product and sustainability standards);
  - COVID-19 pandemic-induced falls in demand and changes in pattern of demand - away from clothing, tourism; towards consumer electronics, internet-based sales; possible shifts of production networks towards more regionally concentrated GVCs;
  - Pandemic restrictions are damaging to trade via border closures and restrictions on personal movement. But trade will still be vital for food security, and for basic and hi-tech goods.

# Why pursue economic equality by gender: justification and conceptual framework



**The need for gender economic equality policies** – *“Promotion of women’s economic equality fuels growth, but gender equality but does not automatically result from growth” (Kabeer).*

- High opportunity cost of not having women in the labor force, applying knowledge and skills beyond the household (IMF, World Bank). Great regional variations in the costs of exclusion (OECD/SIGI).
- Within the household: money income for women has positive development effects. Women in developing countries invest more in their families. Multiple income sources for households confer resilience.

## **Two economies exist in parallel and interact**

- In the **unpaid economy**, women are overrepresented. Worldwide they do most of the unpaid work, by far, i.e. care work (child, elder care), domestic work (household provisioning, cooking) and, on an unpaid basis, money generating work in family agriculture and other businesses.
- In **money economy**, women underrepresented & work on lesser terms; yet they queue to get in (higher unemployment).

## **The second situation is the consequence of the first**

- confinement in unpaid work leads to time poverty for paid work; labour market segmentation: crowding into minority of occupations; undervaluation of carework-related jobs; less job security; large gender wage gap in like-for-like jobs
- women’s educational choices and job opportunities are shaped by occupational concentration; lower lifetime earnings for women; limited personal asset accumulation affects personal property and business potential.



# Dynamics of gender and trade

**Trade is not gender neutral.** It is an example of the general proposition that economic expansion does not automatically translate into improvements in gender inequality.

- Trade expansion interacts with and can intensify existing patterns of inequality;
- Ways of mitigating economic risks and vulnerabilities of women are well developed in domestic policies and can be leveraged in trade agreements (comprehensively in RTAs, partially in WTO).

**Employment:** worldwide, some of the industries where women's jobs are concentrated are the worst impacted by the pandemic

- In services, notably health care, education, traditional activities (e.g. food preparation, tourism), some modern ICT-based services (business process outsourcing). Tourism hit from COVID is catastrophic.
- In manufacturing, initial job openings created by early trade expansion. But jobs still concentrated in lower paid, relatively low tech products (clothing, some electronics). Clothing hit from COVID very severe.

**For producers/businesses:**

- women producers/traders/farmers are smaller; participation in trade constrained unless resources available for them to scale up: access to credit, trade finance, property rights, digital etc skills.

# Guiding principles for shaping more equitable trade negotiations and agreements

5 GENDER EQUALITY



## **Anticipate/monitor/enhance trade-related gains and address potential reversals**

- Break down labor market segregation/occupational crowding: give women access to new trade-related economic opportunities in goods and services: provisions to promote and monitor access to new jobs.
- refer to and leverage domestic policies to improve terms of employment and compensate for job losses: flexibility options (life-work balance), address norms and unconscious biases among employers. Provide gender equal safety nets/compensation for losses of jobs/income of all types; access to retraining, active labor market policies.

## **Improve productivity of women's businesses for access to foreign markets**

- Credit: encourage more financial providers to support trade, find ways of helping women's businesses (non-collateral based; state loan guarantees). More liquidity in general, and against trade shocks.
- Improve conditions of small-scale cross border trading - many women involved: simplify and harmonize procedures, improve physical facilities at borders, reduce harassment and gender based violence
- E-commerce: address the gender digital divide - IT skills training, connectivity (access, affordability).

## **Support groups (NGOs, unions, BSOs, cooperatives) to participate in trade policymaking and to monitor impact.**

- overcome women's weak individual position (in employment and business) for improvements in labor standards, quality assurances, traceability, e-commerce and payments platforms - all improve access to trade opportunities.



# THANK YOU!

The **presentations** that follow explore and elaborate these ideas.

The panellists in the **Roundtable** will be discussing how trade policymakers are addressing the challenge and enlightening us to the difficulties and possibilities they have experienced.

See our work at [www.genderandtrade.com](http://www.genderandtrade.com)