

# Gender Gaps and Services Trade



Gender, Social Inclusion & Trade  
Working Group

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# Project Background

- Services are nowadays vital for trade:
  - Services have been increasingly embedded in goods production and are important in the digitized economy;
  - Services account for about one quarter of global trade in gross terms, and as much as fifty percent when trade is measured in value added terms.
- The project aims to provide novel empirical evidence on the linkages between services trade and gender differentials in labor market outcomes.
- We set a particular focus on emerging and developing countries and examine recent efforts to enhance women's autonomy and empowerment in services.
- This fills a gap with respect to previous studies on trade and labor market outcomes, in particular ones focusing on services trade and/or gender.

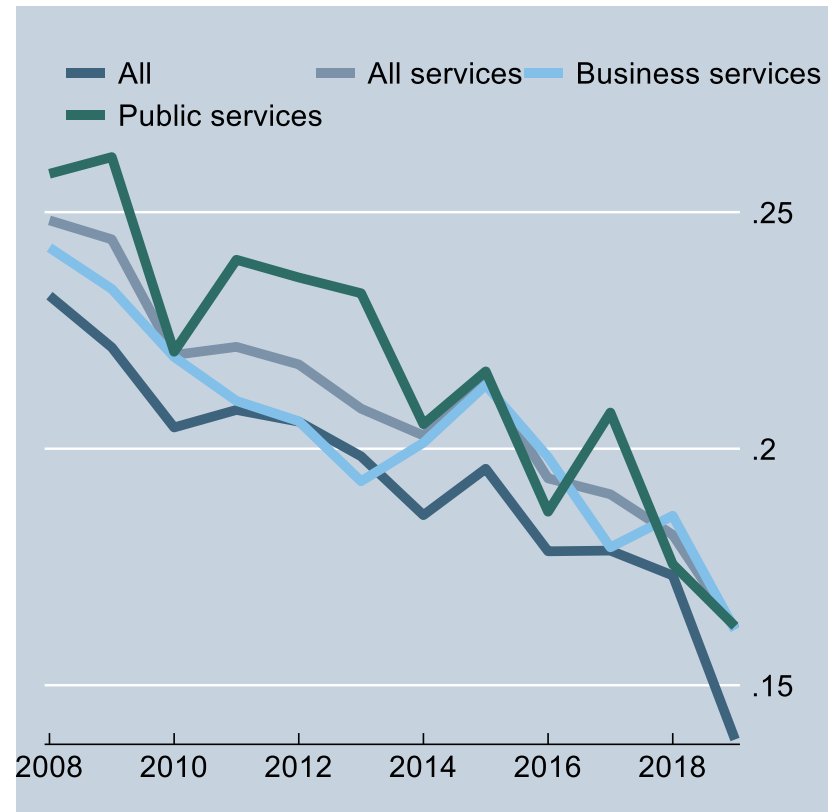
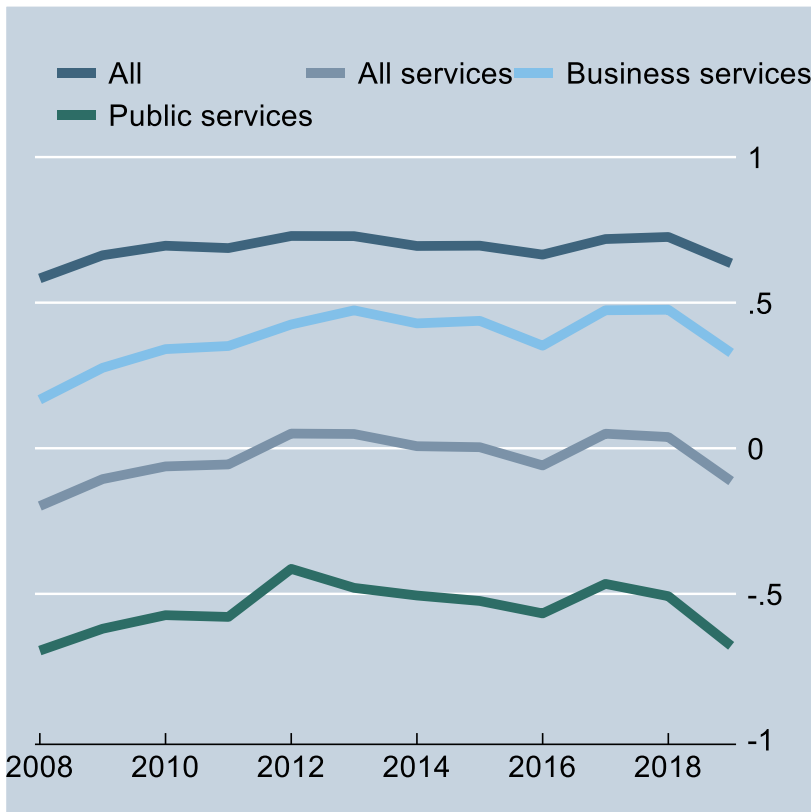
# Gender Gaps and Services Trade

- The project combines two main data sources:
  - Employment, hours worked, unemployment and wages from the **ILOSTAT** database by *country, industry, year* and gender;
  - Data on trade in value added from the OECD's **TiVA** database by *country, industry and year*.
- We shed light on structural differences by distinguishing between:
  - OECD versus non-OECD countries and World Bank regions;
  - Countries classified by three different categories of income;
  - Services, business services and public services versus non-services.

# Gender Gaps in Labor Markets

Employment gaps are stable over time but are lower in services sectors.

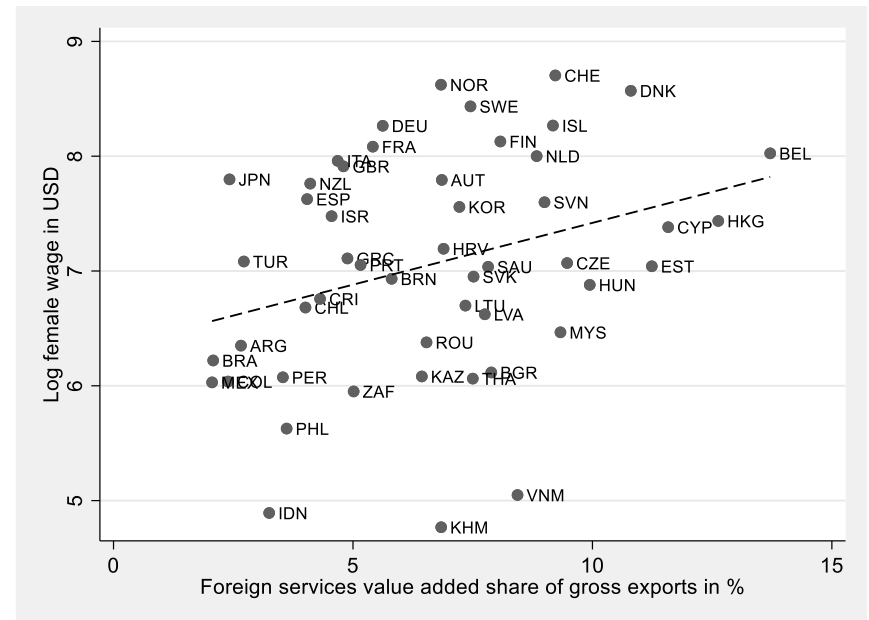
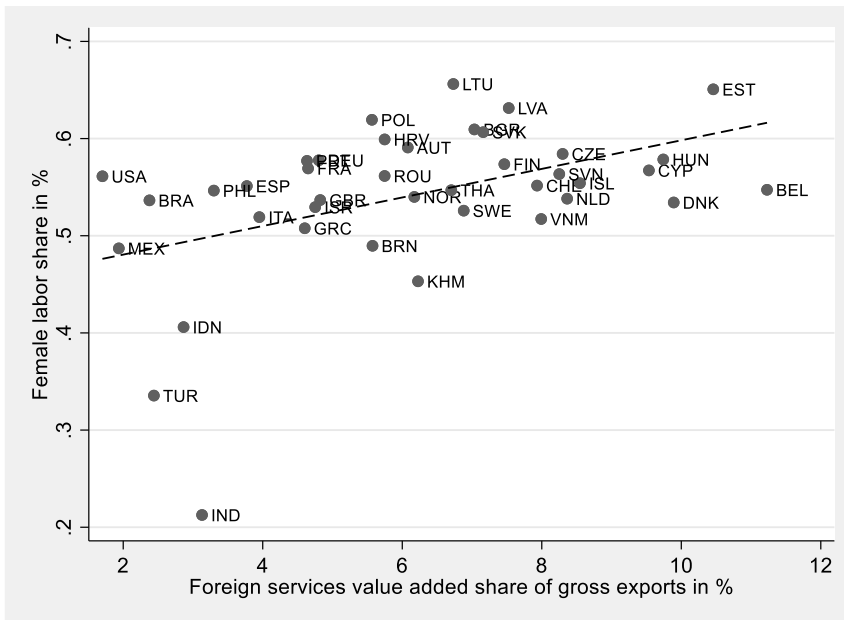
Wage gaps have decreased but are higher in services sectors.



# Gender Gaps in Labor Markets

Stronger forward linkages in services boost the female labor share

Female wages and services forward linkages coincide positively



# Gender Gaps and Trade

1. The **employment** gap is mitigated by ↑ exports, enhanced by ↑ imports.

2. Stems from non-OECD countries (EAP, ECA, MENA for exports).

3. Looking at services, this pattern is reversed!

1. Trade effects on hours worked limited to men (from business services).

2. In general, these are very small in magnitude and stem from ECA.

3. Furthermore, small role for foreign services' role in domestic production.

1. ↑ exports raise male **wages** more than females'; ↑ imports ↓ wages.

2. Again due to non-OECD countries, but regional heterogeneity.

3. Services do not coincide strongly with wages and wage gaps.

1. Trade ↑ unemployment for men and women, about equally.

2. ↑ exports ↓ unemployment in public services, reverse for imports.

3. ↑ share of foreign services in value added ↓ female unemployment.

# Preliminary policy recommendations

- Trade, including services trade, is partly beneficial for women's labor market outcomes and for mitigating gaps.
- Findings from this project extend to backward- and forward-linked trade, taking account of modern production patterns.
- Strong regional and sectoral heterogeneity points to the need to tailor policy according to specific environment.
- Not least, strengthen data availability to address differences between and within countries (time, labor outcome, trade).

# Further steps

- Discuss state of the art literature and previous findings on the role of services trade for female labor market outcomes.
- Shed light on how gender equality is being promoted in services chapters of trade agreements.