

Gender equality and trade:

Recent developments and ways forward

- Globally, women continue to experience widespread social and economic disadvantage.
- Existing trade rules are developed without due attention to gender inequality and can worsen women's situation, for example by contributing to increased costs of public services.
- In December 2017, 118 WTO members supported a Joint Declaration on Trade and Women's Economic Empowerment at the Ministerial Conference.
- A number of trade deals now include gender chapters and countries including the UK have a renewed focus on female entrepreneurship.
- International action to address the gendered impacts of trade policy is welcome. However, this will not be effective if it is limited to non-binding declarations, gender chapters in trade deals or initiatives to increase women's access to export markets.
- Redressing the impacts that trade has on women will require fundamental reform of trade rules.
- Post-Brexit, the UK has the opportunity to design a genuinely gender-responsive trade policy.

How does trade policy impact on women?

Globally, women continue to experience significant social and economic disadvantage, including higher levels of unemployment, lower pay, greater work insecurity and a disproportionate share of unpaid domestic and care work.¹

Economic policy, including trade policy, therefore needs to be designed to support efforts to redress the imbalance for women. However, governments and trade institutions currently undertake little analysis of the impacts that trade and investment rules have on women as workers, producers, consumers and the principal providers of unpaid care. Instead, they make a number of assumptions, including that these rules will stimulate economic growth and that women will automatically benefit.²

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In fact, there is evidence that women, especially women in developing countries, bear the brunt of poorly designed trade rules. They are particularly impacted where trade rules contribute to a squeeze on workers' rights, disadvantage small-scale farmers, reinforce the privatisation of public services and reduce access to affordable medicines. This can exacerbate existing inequalities and reinforce gender biases within the economy, increasing women's unpaid domestic and care work, reducing their access to decent employment and worsening their financial insecurity and poverty.³

The adoption of the 2030 Agenda for Sustainable Development reaffirmed the need for trade policy to be compatible with the realisation of gender equality; and urged States "to refrain from promulgating and applying any unilateral economic, financial or trade measure not in accordance with international law and the Charter of the UN that impede the full achievement of economic and social development, particularly in developing countries."⁴ Yet trade deals generally require countries to reduce tariffs on imported goods. For some developing countries, this can mean a significant reduction in revenues, with knock-on effects on the provision of vital social services and targeted initiatives to address gender inequality.⁵

Government policy space can also be limited by the inclusion of provisions such as ratchet clauses,⁶ which lock in ever-increasing liberalisation; and investment protections – such as investor-state dispute settlement mechanisms – that allow companies to sue states in response to policy changes that threaten their profits. Mechanisms like these can prevent the introduction of measures to support gender equality goals.

Governments, particularly those in developing countries, need to retain the full suite of policy options to achieve their development goals; to meet their obligations under international human rights law, including specific commitments on women's rights and gender equality; and to support the transition towards a gender-just economy. This includes the use of tariffs, quotas, subsidies, TRIPS flexibilities,⁷ local content requirements, technical standards and licensing and qualification requirements that are necessary to strengthen domestic markets, support regional trade and enable the transition to value-added production. However, the existing EU Economic Partnership Agreement model threatens to prevent them from doing so.⁸

Are recent developments hitting the mark?

The WTO's Joint Declaration on Trade and Women's Economic Empowerment, the recent push to include gender chapters in trade agreements and projects such as the UK Government's recent funding for a SheTrades Commonwealth initiative demonstrate that governments are becoming aware of the gendered impacts of trade rules. However, much of the rhetoric is not matched by genuine action.

WTO Joint Declaration on Trade and Women's Economic Empowerment

The WTO Joint Declaration is limited to calling for member countries to share best practice on the collection of gender-disaggregated data and gendered analyses of trade policy, as well as to direct aid for trade towards achieving more gender-responsive trade.⁹ It fails to engage with the substance of trade policy and there are no commitments for concrete action to address the trade rules that drive gender unequal outcomes. It is also of concern that the Declaration is being used to introduce issues such as procurement into the WTO, which developing countries have resisted in the past.¹⁰

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Gender chapters in Free Trade Agreements

Governments are increasingly considering the inclusion of gender chapters in Free Trade Agreements (FTAs), such as in the Chile-Uruguay and Canada-Chile FTAs. However, the experience of labour and sustainable development chapters in US and EU agreements demonstrates that separate chapters are not effective in preventing negative consequences.¹¹ As non-binding instruments they have little influence on the rest of the deal, particularly when taken against binding and enforceable rules relating to investment protection. The chapters therefore fail to provide a framework for identifying and mitigating the negative impacts of FTAs.¹²

SheTrades Commonwealth Initiative

The UK's joint SheTrades Commonwealth initiative with the International Trade Centre is welcome. However, it is limited by a narrow focus on bringing women from Commonwealth countries into trade, without addressing the terms on which they engage. Evidence shows a strong correlation between high rates of female entrepreneurship and a lack of alternative employment opportunities.¹³ The risk is that female entrepreneurship masks women's economic insecurity, with women who are engaged in informal work labelled as entrepreneurs without any real change in their social or economic conditions. To be effective, the UK must move beyond the focus on women's access to export markets to address the myriad ways that trade policy reinforces gender inequality and exacerbates women's economic insecurity.

What steps are needed to develop a gender-responsive trade policy?

Recent developments in government approaches to gender and trade signal a new awareness of the impacts trade rules can have on women. However, they fall far short of the reform that is necessary to redress these impacts. In order to ensure the UK's trade policy is gender-responsive the government must:

1. Develop a transparent and democratic procedure for the negotiation and ratification of trade agreements that gives Parliament the right to scrutinise, amend and vote on trade agreements and guarantees that women's rights organisations and other civil society groups, including in developing countries, have the right to input into and scrutinise trade policy and trade negotiations.
2. Ensure trade agreements comply with the UK's commitments under international human rights law. Comprehensive ex ante and ex post gender impact assessments should be conducted, together with human rights and sustainable development assessments, and their findings should be taken into account. Where a conflict is identified, commitments on gender equality, and other human rights, must be given precedence over trade rules.
3. Exclude investor-state dispute settlement mechanisms and other special courts for investors from trade and investment agreements.
4. Make a commitment not to re-negotiate the EU Economic Partnership Agreements with developing countries. The UK should instead expand its unilateral preference scheme so that both least developed countries (LDC) and non-LDC developing countries have duty free access to the UK market.
5. Ensure trade agreements maintain governments' policy space so they can use the full suite of policy tools necessary to develop gender-responsive industrial strategies and to support the transition to a gender-just economy.
6. Ensure trade agreements do not increase women's unpaid domestic and care work burden by guaranteeing that governments are not compelled to privatise, or prevented from renationalising, public services.

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References

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