

The Trade and Gender Agenda in the New Context of a Global Financial Crisis

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Session III: Gender, Investment and
trade Agreements

Trade, gender and the Financial Crisis

- The New Context: triple crisis plus
- Causes of the Crisis & inter-linkages
- Trade and development Consequences
- Trade liberalization implications
- Trade and Gender (definitions, conceptual, empirical linkages)
- The Trade and Gender Agenda: challenges & prospects

The New Context: Triple crises

- Food, fuel & Finance Linkages inter-linkages...
- H1N1 virus (11 countries—imports of pork, tourism)
- Dimensions

Finance: \$4.1 Trillion dollar global loss

Some causal factors of the crisis

- Easy money policy
- Deregulation of financial institution
- High level of leverage
- Unsustainable level of debt

Structural factors: Economics & trade

global current account imbalances (saving glut)

Global income inequality

Volatility in commodity markets

Trade and development

Implications

- Global economic decline: 2%
(Germany 10% (Nov. 08); US imports contract 3.2%, 1.5 for SSA;
- Decline in exports to the north
- Decline in exports South: Brazil contract 29% (Dec. 08), India 15% (had increased 35% before fall)
- Decline in remittances: .09% (Nov 08); 5-8% (2009)
- Decline in access to capital
- Countries in need: ECE, Iceland, Columbia (10.4 b, Mexico \$47 b) of IMF resources

Resolution: immediate

- National Stimulus packages
- Burden of adjustment on the south
- G-20 \$1 trillion pledged (IMF \$100B for south)
- Protectionist : 12 of 20 countries new protection measures (see 'buy American' in US stimulus package); subsidies/bailouts
- No compensatory assistance to the south
- Call for vulnerability fund (.7 of stimulus package for social safety nets, infrastructure and SMEs in south)

The crisis on gender and development

- 3 million children face mortality by 2015 due to crisis
- 40 million more poor in Asia (ADB: 60 million)
- Inc. impoverishment in 40 countries
- Rising indebtedness of countries (stimulus package, loans for export led growth etc; tax cuts)

Trade and financial lib.

- Trade liberalization: the removal or reduction of barriers to trade such as tariffs. (overseen by the World Trade Organization, R/BTAs, ODCs,IFIs)
- Financial liberalization led to the widespread adoption of US financial and banking practices such as securitization and derivative trading across the global. (Central banks, MOFs, IFIs, WTO, RTA's/EPAs)

Trade liberalization...

- Reduction of tariffs and other cross border measures
- Behind the border measures (competition policy, govt. procurement)
- Non trade concerns

Food security

Rural development

Animal welfare

Public health

Biodiversity protection

Employment

Environment

Scope for gender???

Trade and Gender: nuts and bolts

- **Trade policy:** Trade policy refers to the rules and procedures for controlling the inflow and outflow of goods, services and capital into and out of a country. It also includes on the promotion of exports. Trade policy a set of instruments (tariffs and non-tariff barriers, export promotion measures). Trade policy posture, objectives determine the direction of country's trade
- Traditional, trade policy was subordinate to development objectives.

Trade and gender: nuts and bolts II

- Trade agreements & trade policy

Traditionally trade agreements provided the key elements of the framework for trade policy design, development and implementation . It also tended to focus on border and cross border measures affecting international trade of goods. Today, TA such as under the WTO, imposes binding constraints on national trade policy and in some cases domestic regulations (see behind the border measures and GATS)

Trade and gender: nuts & bolts III

■ The New Trade policy...

Trade policy filters through the macro, meso and micro levels via its impact on:

Monetary/Fiscal/Social (supplementary role to trade policy in terms of safety nets and trade adjustment assistance)/Labor market policies

Political restructuring & social transformation

Sustainable livelihoods

Health, sexual health and reproductive rights

■ Trade, development and gender equality...

Gender issues and outcomes emanating from globalization and trade liberalization include...

- Feminization of labor market
- ↑ or ↓ access to economic and social resources (land, credit, technology & training) for women relative to men
- ↑ or ↓ unpaid work in home and community
- ↓ of tariff \supset government budgets \supset cuts in social programs or ↑ in regressive taxes—impacts women more so than men

The Trade and gender agenda

Focus on influencing how international trade agreement and hence, national trade policy, which are based upon these agreements, shapes and re-shapes men's and women's time burden, access to essential services critical to social reproduction and access to employment.

Reshaping the impact of trade liberalization on gender equality and women's economic empowerment outcomes

Forcing the explicit examination of gender at the analytical and policy levels of trade discussions

A commitment to trade that fosters sustainable and equitable development

Services Liberalization

Social mandate of government

Core infrastructure

Domestic regulations (versus tariffs)

Market entry requirements

Request offer of trading partners

Remittances

The Trade and gender Agenda

- Rationale & Legitimacy

Rules and commitments

(BPFA, CEDAW, MDG)

Analytical & empirical

- Gender: Concepts & Definitions (Gender, Gender mainstream, Gender analysis)

- Trade: (trade policy, Trade agreements etc)

- :

- **Gender neutral policies** target the beneficiary group who can best fulfill the project goals, but leave the existing division of responsibilities and resources unchanged.
- **Gender specific policies** recognize women's or men's particular needs and allocate specific resources or identify specific activities to meet those needs.
- **Gender re-distributive policies** seek to transform existing gender relations by redistributing responsibilities, resources and power more evenly between women and men. This kind of policy may require one sex or the other to give up certain privileges or take on certain responsibilities in order to achieve greater equity in development outcomes.
- **Empowerment:** women' ability to make choices, vis á vis resources, agency and achievement (Kabeer ,1999).

- **Gender dis-aggregated primary and secondary data** about time allocation, labor, access to and control over resources (particularly resources affected by the project such irrigated land, timber, etc.) Local level data is typically compared with regional and national level data.
- **Women's and men's gender based needs and interests** and how these will be affected by the project.
- **Potential partners**, including local women's NGOs, and their role in the project . Consultation with gender-sensitive shareholders promotes inclusion of a gender perspective and optimizes efficient use of resources (Hamershlag, 1996,).

Components of gender mainstreaming system:

- Project design and planning
- Implementation
- Monitoring and evaluation
- Staff awareness and implementation capacity

What is the legitimacy for integrating gender into trade agreements and policies?

1. Rules & Commitments based legitimacy
2. Analytical & Empirical Legitimacy

Rules/ Commitments based legitimacy.

- The set of rules that the ‘global community’ has worked hard for and evolved a consensus on, especially over the last twenty years:
- Governments made commitments with regard to gender equality objectives and gender mainstreaming as enshrined in:
 - CEDAW
 - The Beijing Platform for action (See annex 1) and Beijing plus five.

[The Beijing Platform for Action (Strategic objective F.1, para 167, UN 1995 and Strategic Objective F.4 (b) para 176, UN 1995).and the Beijing+5 document adopted in July 2000 places responsibility on multilateral organizations as well as governments in achieving equality goals.

It states that: *“Organizations of the United Nations system and the Bretton Woods institutions, as well as the World Trade Organization, other international and regional intergovernmental bodies... are called upon to support government efforts ... to achieve full and effective implementation of the Platform form for Action”* (para. 49).

- **The Platform for Action** adopted at the UN's Fourth World Conference on Women (Beijing 1995) specified several actions by governments that are relevant to multilateral and regional trading arrangements:
- 165(k) *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.*

- 165(1) *Ensure that all corporations, including transnational corporation, comply with national laws and codes, social security regulations, applicable international agreements, instruments and conventions, including those related to the environment, and other relevant laws.]*

Gender mainstreaming...

ECOSOC as:

the process of assessing the implications for women and men of any planned action, including legislation, policies or programmes, in any areas and at all levels. It is a strategy for making women's as well as men's concerns and experiences an integral dimension of the design, implementation, monitoring and evaluation of policies and programmes in all political, economic, and societal spheres so that women and men benefit equally and inequality is not perpetuated" (E 1997 L O

Gender Analysis

A necessary starting point:

- Examine how social, economic and public policy impacts women and men in their different locations in the economy.
- Examine the outcomes for women's and men's individual and overall status with regards to social reproduction, economic resources, decision-making and position in the labor market.
- Inter-sectionality of race, class, ethnicity and sexuality

2. Analytical legitimacy

Gender as a critically important analytical and policy variable in economics and economic policy analysis has been consolidated in the work of the Bank and Feminist Economics:

The World Bank:

- The World Bank's publication on Engendering Development (2001),
- Gender Chapter of the World Bank's Sourcebook for PRSP
- Gender and growth analysis by Bank Staff

Analytical legitimacy contd.

- two volumes of the World Development Journal
- Research and policy outputs are the many studies on gender and export oriented models and on gender and FDI.
- Work on gender and fiscal policy, which has parallel the practical application of women's budget projects, (can be a useful base for examining the trade dimension of the fiscal budget.)

- The empirically based emphasis of the MDGs (in particular goal 3) and the poverty reduction strategy paper are also potentially positive areas for adding data and new indicators to bolster the work on gender and trade.

Obstacles to the incorporation of gender into trade policy

1. Gender issues are seen as ‘political or philosophical’ in the context of trade discussions and thus overlooked.
2. Most issues are couched in gender-neutral terms—‘people’, ‘farmers’, target groups or beneficiaries. These are easy formulas for gender blind treatment in development and trade issues.

Obstacles to the incorporation of gender into trade policy

3. Lack of data and statistics on women and the economy, especially as it relates to imports and exports.

4. Policy makers and negotiators are not interested in gender equality.

(Adapted from Sarah Longwe's Gender analysis of NEPAD)

Gender and Trade liberalisation

I

- A simple scan of the small but growing empirical literature on gender, trade and investment reveals that trade liberalisation/trade reform policies generate complex and often contradictory effects on women's access to employment, livelihood and income.

Gender and trade liberalisation

II

- gender-differentiated impacts of the interplay between existing gender inequality and trade policies include:
 - gender specific effects of trade-induced fiscal adjustment
 - gender specific effects of trade-induced employment effect
 - gender effects of internal market adjustment.

Towards integration gender & trade

- Who are the critical voices in the formulation of trade policy nationally?
- What is the gender distribution of trade delegation/high level technical person? Are they gender sensitive and prone to gender equality concerns?
- At the national level which ministries and who in these ministries prepare reports and take part in trade policy decision-making?
- What is the role of gender machineries in these processes?

Mainstreaming gender in trade

- Development is the centerpiece and goal of trade policy
- Rebalancing trade agenda to promote social and gender equity:
 - systemic issues
 - TRIPS (health care)
 - Essential Services issues
 - Open up categories in Mode IV

National level

- Government accountability for commitment to gender equality and gender mainstreaming
- Gender perspective and gender analysis integral part of trade policy making environment
- Effective and meaningful coordination among sector ministries
- Consultation/information sharing/trade literacy exercises

Avenues for integrating gender perspective in Trade policy at WTO

- Impact assessment: SIA/GIA
- Trade policy Reviews
- Doha Agenda: making it really about development
- Gender equality and pro development approach to (trade oriented) technical assistance
- Special Products/SSM discussion/Non trade concerns
- Tariff lines for gender sensitive products

■ The political environment of G&T: A SWOT Assessment

Strengths:

Interventions of UN agencies and IGOs (UNCTAD, FAO COMSEC, Human rights commission etc.)

Slow and incremental exposure of trade negotiators to gender and social concerns

Growing influences of women's groups, feminist groups, TUs & other NGOs on G&T

Weakness:

Segregation/clustering of G&T from broader work programs of agencies, institutions and NGOs

Inadequate sensitization to gender in national trade decision making

Weakness of Gender Machineries on G&T

'policy evaporation of gender priorities'

Outstanding Issues...

- The challenges and constraints to be faced in integrating gender analysis and perspective in trade policy
 - ◆ Nationally
 - ◆ Regionally
 - ◆ Internationally

- Opportunities
 - Aid for Trade?
 - Specials product and safeguard mechanisms
 - Trade related capacity building
 - Gender sensitive tariff lines
 - Gender sensitive products
- Others...

Challenges Ahead for gender sensitive approach to the trade negotiations

Agriculture: (market access, domestic support and export competition).

- Gender dimensions of food security discussion/mandate.
- Gender dimension of the classification and definition of special products and Special safeguard mechanisms: production capacity, income level, relative contribution of SPs to nutrition and preference of people. Use of gender sensitive indicators.

Gender challenges ahead...

- Services: Gender implications of ‘request and offers’, especially in the areas of environmental services (water, sanitation); energy; tourism; professional services and mode IV.
- TRIPs: access to genetic resources, transfer of technology, protection of traditional Knowledge etc.

I. NAMA: definitions and scope

Non agricultural Market Access (NAMA)

NAMA is a series of negotiations within the WTO aimed at reducing tariffs on industrial products. Its real scope, however, is much wider because NAMA integrates into its rubric any product that falls outside of agriculture such as automobile, chemicals, cement, glass, fisheries, forestry, leather, plastics, shoes, precious metals, and gems, among others.

Key Issues in the NAMA negotiations

Important Issues areas in negotiations:

1. Product coverage*
2. Tariff reduction*
3. Non-Tariff barriers*
4. Flexibility*
5. Sectoral initiatives*
6. Linkage to agricultural negotiations
7. Others: treatment of unbounded tariffs/ Ad valorem equivalent

Towards a gender sensitive trade agreements in the MTS— Doha...

NAMA

The developmental and gender effects of NAMA are likely to spread across three broad areas: budgetary & financial, employment/livelihood and entrepreneurship survival and growth prospects.

Towards a gender sensitive trade agreements in the MTS— Doha...

NAMA

Entrepreneurship: Women businesses tend to be relatively less capitalized than men and suffer from lack of access to credit. Gender segregation and gender differences in access to skills and training also predetermine that women will tend to be predominate in one or other industrial sub sectors. Studies on manufacturing in Ghana show that women are more likely to be found in food and textile while men dominate in wood and chemical sectors.

Towards a gender sensitive trade agreements in the MTS— Doha...

NAMA

Women entrepreneurs will likely have less ability to adjust to rapid and prolonged shocks in the manufacturing sector and will likely be more vulnerable to import competition than male-owned firms.

Towards a gender sensitive trade agreements in the MTS— Doha...

NAMA

Given their usually under capitalization relative to male firms and their lesser access to credit, women business tend to be more vulnerable to economic shocks and maybe unable to have long term business survival strategies. This has been noted to be the case in Ghana. in Ghana. As noted above in Ghana, women tend to be involved in food and textiles and men in wood and chemicals. Job loss as a result of trade liberalization (under Structural adjustment) was more pronounced in female owned firms.

Towards a gender sensitive trade agreements in the MTS— Doha...

- In fact, over 50% of female owned firms had difficulties with and many did not survive the economic shock induced by liberalization when compared to male owned firms (which, though they experienced similar difficulties were able to better withstand hard times and many regained their footing over time).

Towards a gender sensitive trade agreements in the MTS— Doha...

NAMA

Employment: The employment dynamics are rather complex as it depends on whether or not women were significant players in the manufacturing or manufacturing related sub sectors. In many developing economies where export were female intensive quite obviously cuts in tariff will have a dramatically negative impact on women workers. They will lose jobs.



Towards a gender sensitive trade agreements in the MTS— Doha...

NAMA

However, in economies where men dominate manufacturing activities the negative effect of job loss will be primarily bourn by males. Ultimately, economy wide reductions in tariffs impacts the employment of men and women when it translates into reduced domestic production and output as well as impacts the market size of domestic firms.

The way forward: challenges ahead for

- Research and analysis on gender and trade facilitation
- Carving out essential services in the GATs negotiation
- Open up categories in Mode IV to include flow of low waged women workers etc.
- Highlight gender and technology transfer etc in TRIPs
- Construction of ex ante and post trade agreements indicators and monitoring tools