



#Trade for Women

Gender equality, trade and the World Trade Organization

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Abstract

Scientific research reaffirms the importance of making trade gender inclusive and demonstrates that accelerating the gender responsiveness of trade policies improves gender equality in trade, supports poverty reduction and fosters sustainable growth.

The 2022 World Trade Congress on Gender was the first international research conference on trade and gender. This high-level event promoted innovative research and brought together the most eminent trade and gender experts to present new findings and the latest trade and gender research from around the world.

On the basis of current developments in trade policy, women and trade are seen more and more as two major factors of economic growth. In response, some governments have now firmly established in their trade policy that women's economic empowerment not only fosters growth and reduces poverty, but it also promotes export expansion and economic integration into global markets.

This chapter summarizes how trade is vital for empowering woman. It presents the WTO gender initiatives and introduces the topics explored in greater depth in the chapters of this book.

International trade provides women with economic opportunities

Trade supports women economically in many ways. Firms that trade employ more women. Women comprise 33 per cent of the workforce of export firms, compared with 24 per cent of non-exporting firms and 28 per cent for non-importing firms (World Bank and WTO, 2020). Women constitute 36 per cent of the workforce of firms involved in global value chains and 38 per cent of the workforce of foreign-owned firms (World Bank and WTO, 2020). In some countries, the female workforce in export firms is higher. In Morocco, Romania and Viet Nam, women represent 50 per cent or more of the workforce of exporting firms, which have created jobs for more than 5 million women, roughly 15 per cent of the female population working in these countries (World Bank and WTO, 2020).

Firms that trade also pay women more because women working in firms engaged in trade are more likely to be employed formally, which has an impact on their income level and provides them with a more stable source of income, while keeping them safe from all the social and economic risks associated with the informal sector.

In addition, trade in services supports women workers and promotes female entrepreneurship. In low-income and lower middle-income countries, women make up about 40 per cent of workers in the services sector and in upper middle-income and high-income countries, women

represent almost 70 per cent of the services sector workforce. In tourism – an export-oriented services sector – women constitute about 54 per cent of people employed (UNWTO, 2019). According to the World Bank (2017), in Latin America, women manage 51 per cent of tourism businesses. In Nicaragua and Panama, more than 70 per cent of business owners in tourism are women, compared to just over 20 per cent in other sectors. In Indonesia, Malaysia, the Philippines and Thailand, women run more than half of tourism businesses (World Bank, 2017). The tourism services sector also generates income for women working in agriculture or in the handicraft sector, as they provide agricultural or sanitary products to restaurants and hotels. They are therefore also part of the tourism global and regional value chains while contributing to the sector locally.

Women and trade in services

Despite many advances, however, women across the world hold fewer jobs, are paid less, and are more likely to experience worse job conditions than men (ILO, 2022). Women greatly contribute to the labour workforce and growth of economies (Fernández *et al.*, 2021), even if, overall, their participation is often lower than men, as shown by evidence gathered nationally, regionally and internally. Worldwide, a gender gap in employment exists and persists (ILO, 2022). Fewer than 47 per cent of women globally hold a formal job, compared to 72 per cent of men (ILO, 2022).

This is, however, oversimplifying the picture. In many export-oriented sectors, women represent the vast majority of workers. In Barbados, for example, the labour force participation rate in 2021 was 65.3 per cent for men and 57.5 per cent for women, out of which more than 48 per cent were employed workers.¹ In some sectors such as health, finance, insurance and food services, however, employed women outnumber male workers, and sometimes more than half of the workers are female². Evidence shows that the example of Barbados is not unique across the globe.

Women still face numerous barriers to integrate the formal employment market because they lack access to safe transport, and they carry the most, if not all, the burden of unpaid care work, among other reasons. Women also work in difficult environments often due to national laws and regulations that prevent them from benefiting fully of their work experience (World Bank, 2022). Globally, women have fewer rights than men (World Bank, 2022) hindering their economic empowerment and therefore creating economic barriers. These obstacles based on negative gender social norms can constitute a new type of trade barriers, limiting women's access to economic and job opportunities created by trade and in turn limiting sustainable and inclusive development as well as poverty reduction (der Boghossian, 2023).

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Yet, it is not just about how many women participate in the workforce, it is mostly about the quality of those jobs and whether they are skilled, high level and high paying. In fact, women are largely confined in low-paid, low-level and unskilled jobs (World Bank and WTO, 2020), putting them in vulnerable economic situations, which contributes to gender inequality. While evidence outlines that women working in trade are better paid (World Bank and WTO, 2020) – especially because when they work in trade-related sectors, they move from informal to formal employment – they still hold low-paid, low-level and low-skilled jobs in export-led firms and sectors. In fact, 80 per cent of female workers hold medium and low-skilled jobs (World Bank and WTO, 2020).

This is the case in many export-oriented and trade-related sectors such as tourism. Employment in the tourism sector is low paid for both genders, but women earn 15 per cent less than men for equivalent work (UNWTO, 2019). Similarly in the healthcare sector, 70 per cent of the formal health and social workers worldwide are women, but they are concentrated in low-level and low-paid jobs. Globally, 84 per cent of nurses and midwives are women. And women working in this sector earn 11 per cent less than men (in similar jobs and working similar hours) (WHO, 2020).

There are also many reasons that could explain this wage gap. Among others, many women work part-time, as the unpaid care work heavily falls on them. In addition, their position in the workforce is often linked with their difficulties in accessing training. Just 3 per cent of female employees in low-income countries are skilled workers. More and more training is also conducted online; and given the digital gender gap, they seldom have access to those as well.

Trade and gender go hand in hand

In recent years, more and more governments have been including gender issues in their national trade policies by integrating gender equality objectives (der Boghossian, 2019a). Interestingly, some countries have put women at the centre of their national trade strategies, acknowledging that women's economic empowerment can support trade expansion and their integration into the global trading system. Although they are making gender issues an integral part of trade policies, this is not yet a policy trend. However, it shows how some WTO members are evolving with regard to trade and gender towards adopting more concrete measures to secure women's access to opportunities created by trade, and with the aim of supporting their export growth.

Similarly, for decades governments have been integrating gender provisions in their free trade agreements (FTAs) and regional trade agreements (RTAs) (Bahri, 2021) and Aid for Trade programmes (der Boghossian, 2019b). Therefore, for many years, gender has been mainstreamed across the trade policy board.

Trade and gender is part of the WTO's work programme

The WTO's work on trade and gender is rooted in three official documents adopted by WTO members prior to and at the 12th WTO Ministerial Conference (MC12). In September 2020, a group of WTO members representing three-quarters of the membership³ established the Informal Working Group on Trade and Gender⁴. Its objectives focus on:

- removing barriers women face in trade;
- monitoring trade and gender policies and programmes;
- making gender-responsive trade policies;
- applying a gender lens to the WTO;
- reviewing analytical work on trade and gender and making Aid for Trade work for women.

These objectives constitute the four work pillars of the Informal Working Group:

- continue to share best practices, information and exchange views on removing trade-related barriers and increasing the participation of women in trade;
- consider and clarify, what a “gender lens” as a concept applied to international trade would entail and, secondly, consider specifically how a gender lens could usefully be applied to the work of the WTO, with a view to presenting a concept and work plan to members at MC12;
- review and discuss gender-related analytical work produced by the WTO Secretariat;
- explore how best to support the delivery of the WTO Aid for Trade work programme.

Furthermore, the MC12 Outcome Document⁵ recognizes the importance of women’s economic empowerment and the work of the WTO on this issue, at the multilateral level.

Lastly, at MC12, the Co-Chairs of the Informal Working Group on Trade and Gender adopted the Statement on Inclusive Trade and Gender Equality⁶ and acknowledged that the WTO’s work on trade and gender is in line with its objectives, as stipulated in the Preamble to the 1994 Marrakesh Agreement Establishing the World Trade Organization.

The Statement also recognizes the achievements made since MC11 by WTO members as a basis for future work and for the continuity of the WTO work on trade and gender.

World Trade Congress on Gender: a key WTO research initiative

Since 2016, the WTO Secretariat has been working to incorporate gender issues into its work based on the 2017-2020 Action Plan on Trade and Gender⁷ and the subsequent 2021-2026 plan⁸, which outlines four key objectives implemented by the WTO Trade and Gender Office. With this work, the Office is promoting gender-responsive trade policymaking by building WTO members capacity to integrate gender issues in their trade policies, Aid for Trade programmes and FTA negotiations. For this purpose, it launched a training programme on trade and gender for government officials in March 2019. Since then, the WTO has trained about 500 officials in 80 developing countries.

The WTO also conducts and drives research globally through the WTO Gender Research Hub⁹, a network of trade and gender researchers in international and regional organizations as well as academic institutions. In December 2022, the WTO initiated and organized the World Trade Congress on Gender, the first international research conference on trade and gender. Promoting innovative research, this high-level event brought together the most eminent trade and gender experts to present new findings and the latest trade and gender research from around the world. It also provided a platform for researchers and policymakers to exchange and build partnerships.

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The Congress included research sessions focusing on a wide range of issues, such as: gender provisions in FTAs; ways to mitigate the impact of COVID-19 on women; and how to help women and female entrepreneurs reap the benefits of international trade. Overall, 25 new research papers were presented by trade and gender researchers at the Congress, of which 12 are presented here.

The research presented at the Congress and in this publication has reaffirmed key gender principles and presented evidence that women face higher barriers than men when accessing opportunities created by trade and that trade policy can support women overcoming these obstacles and that trade can support women economically.

The chapters in this book also reaffirm the importance of making trade inclusive and demonstrate that accelerating gender responsiveness of trade policies improves gender equality in trade and supports poverty reduction and sustainable growth. They outline that policies in general should in times of crisis automatically include measures focusing on addressing women's needs, learning from the COVID-19 pandemic.

In particular, new analysis was provided on how women entrepreneurs organize a “shadow entrepreneurial export ecosystem”, which supports their trade activities instead of using governmental led support programmes. Other new research has proposed a new framework for public-private dialogue to better integrate gender considerations in trade agreements negotiation and for their more efficient implementation. New analysis also explores the gender inequalities associated with the process of digitalization, and how digital agricultural technologies can support female farmers' economic and trade activities.

Studies also proposed a new method of collecting sex-disaggregated data on cross-border traders, to inform future work in this field and consequently policymaking. They outline that while some countries are champions in integrating gender provision in their FTAs, such as Chile, many women entrepreneurs in the country are unaware of such measures. And while they perceive their inclusion as a positive measure to tackle gender inequality, they estimate that their impact on their businesses is minimal.

While some chapters have identified challenges, they also highlight policy-oriented solutions. They outline methodologies to better include women in designing policies. They also analyse how, through their non-discriminatory clauses, voluntary sustainability standards can be used as a tool to realize women's economic empowerment. They identify adaptation mechanisms to respond to crisis impact on women and women entrepreneurs. They also examine current trade policies and FTAs with a critical perspective, identifying the implementation weaknesses of gender provisions contained in FTAs. Other analysis explores how current trade policies

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can be used as a model for future regional or international trade negotiations and how more sophisticated and targeted tariffs liberalization and trade policy reform can reduce existing gender wage gaps.

Lastly, two chapters focus on the African Continental Free Trade Area (AfCFTA) and how efficient it could be for women in Africa and gender equality also looking at pre-existing gender provisions in African RTAs to serve as a guide to make the AfCFTA work for women.

The WTO and making trade work for women

The year 2023 is pivotal for the WTO with regard to its work on trade and gender. It is a year of project development and to strategically head towards unexplored territories and topics.¹⁰

In November 2023, the WTO Gender Research Hub will organize the Youth Trade Summit on Gender to promote the next generation of trade and gender experts¹¹ and to continue fostering the connection between researchers and policymakers, established during the World Trade Congress on Gender, as they can reciprocally inform each other's work.

On 20 June 2023, WTO members of the Informal Working Group on Trade and Gender adopted a new work plan for 2023-2024,¹² looking at designing more concrete solutions for women in trade and to make trade more inclusive.

The WTO will also be finalizing the set of its 12 trade and gender policy tools for governments to use while designing their trade policies and Aid for Trade programmes, and it will embark into new projects focusing on data collection on women in trade, with a focus on entrepreneurs and migrant women. In 2024, while continuing implementing its work programme, the WTO will develop new training programmes for parliamentarians, researchers and female entrepreneurs, while continuing to develop advanced training material for WTO members.

Research is and will continue to be at the heart of the WTO's focus on trade and gender, with the work done by the WTO Gender Research Hub, which launched its work programme for 2023-2024 on 7 March 2023.¹³ All this work, these initiatives and activities, either led by WTO members or the Trade and Gender Office of the WTO, are driven by one essential goal – making trade work for women.

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Endnotes

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2. *Ibid.*
3. Now representing 85 per cent of the WTO membership.
4. *Interim Report following the Buenos Aires Joint Declaration on Trade and Women's Economic Empowerment: Revision*, WTO document WT/L/1095/Rev.1, 25 September 2020.
5. *MC12 Outcome Document*, WTO document WT/MIN(22)/24 WT/L/1135, 22 June 2022, para. 13.
6. *Statement on Inclusive Trade and Gender Equality from the Co-Chairs of the Informal Working Group on Trade and Gender*, WTO document WT/MIN(22)/7, 12 June 2022.
7. See https://www.wto.org/english/tratop_e/womenandtrade_e/action_plan_17-19.pdf.
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13. See https://www.wto.org/english/news_e/news23_e/women_09mar23_e.htm.