WORLD TRADE ORGANIZATION

Making trade work for women

Key findings from the 2022 World Trade Congress on Gender

About the WTO

The World Trade Organization is the international body dealing with the global rules of trade between nations. Its main function is to ensure that trade flows as smoothly, predictably and freely as possible, with a level playing field for all its members.

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Acknowledgements

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The lead author, who also conceptualized the Congress and reviewed the chapter submissions, was Anoush der Boghossian, Head of the WTO Trade and Gender Office of the Development Division and Founder and Chair of the WTO Gender Research Hub. The chapters were also reviewed by: Dr Amrita Bahri, Associate Professor of Law, Instituto Tecnológico Autónomo de México – ITAM, and Co-Chair for Mexico, WTO Chairs Programme; and Trudi Hartzenberg, Executive Director, Trade Law Centre – tralac.

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Foreword

> **Making trade work for women goes to the core of the WTO's purpose because women's economic empowerment is central to achieving the WTO's founding objectives of raising living standards, creating jobs and promoting sustainable development.**

Recent analysis by the World Bank estimates that closing gender gaps in employment would raise per capita GDP by almost 20 per cent on average across countries – and by as much as 40 to 80 per cent in the Middle East, North Africa and South Asia. Trade is a critical source of economic opportunities for women and the businesses they operate. However, the data show women are not reaping the benefits of trade as much as men. Male entrepreneurs are nearly twice as likely to have internationalized businesses than their female counterparts, and women entrepreneurs are likelier than men to focus on local markets than national or international ones. To narrow these gaps, more gender-responsive trade policies are part of the solution. Such policies in turn require research and data so that policymakers can make more informed choices.

WTO members have been increasingly integrating gender issues into their trade policies and negotiations. To support this trend, the WTO Secretariat created the Gender Research Hub in 2021 to foster an international network of trade and gender researchers working in academia and international organizations. In just two years, the Hub has become a key contributor to research on women's economic empowerment. Its experts are driving research globally, making it more visible and accessible as well as exploring new topics.

In December 2022, the WTO and the Hub organized the first international research conference to focus on trade and gender – the World Trade Congress on Gender. This event brought together eminent trade and gender experts to present cutting-edge research in the field. It also provided a platform for researchers and policymakers to exchange views and build partnerships for further work.

This book builds on the research presented at this conference. It opens the door to new thinking about trade and gender and offers interesting perspectives on a variety of research topics, from gender provisions in trade agreements to ways in which women entrepreneurs have come together to support each other's efforts to engage in international trade. The book demonstrates that major gaps still persist in gender equality, even as the WTO has taken important steps forward on how it tackles issues of trade and gender.

The world is grappling with simultaneous, mutually reinforcing crises – none of which is gender neutral. Climate change, pandemics, natural disasters, financial crises and conflicts all impact women disproportionately. Women too often find themselves on the margins of economic activity, lacking the capacity to bounce back quickly. This is why investment in women is so important to strengthen their economic capacity. The stronger women are, the more resilient our societies will be in the face of the polycrisis.

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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 female[2]. 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).

> 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.

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 membership[3] established the Informal Working Group on Trade and Gender[4]. 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 Document[5] 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 Equality[6] 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 Gender[7] and the subsequent 2021-2026 plan[8], 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 Hub[9], 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.

> **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.**

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

> 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.

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 experts[11] 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

1. *Trade Policy Review: Barbados*, WTO document WT/TPR/M/431/Add.1, 21 February 2023, page 3.
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.
8. See https://www.wto.org/english/tratop_e/womenandtrade_e/action_plan_21-26.pdf.
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Facilitating women's economic empowerment through trade with voluntary sustainability standards

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Abstract

The United Nations Sustainable Development Goals (SDGs) expressed an overarching objective of leaving no one behind. SDG 5 holds integral to all dimensions of inclusive sustainable development. Gender equality is a right and ensuring the rights of women and girls across all the SDGs will lay the foundations for a just and equitable society that works for all. By creating enabling conditions for women to fully participate in the economy and offer their diverse skills and abilities, it would not only address the constraints rooted in the existence of gendered social structures but also drive the economy to benefit all.

Voluntary sustainability standards (VSS) have been identified as a potential tool to realize women's economic empowerment, which is the ability of women to participate in, contribute to and benefit from the growth processes that recognizes their contributions to negotiate a fairer distribution of benefits. VSS may provide opportunities to bridge the gender gap through their non-discriminatory clauses, but the key is to realize that transformations go beyond market-based solutions. This chapter aims to dissect the potential contributions to which VSS can help empower women through impacts and provide some of the key priority areas where VSS can work for women.

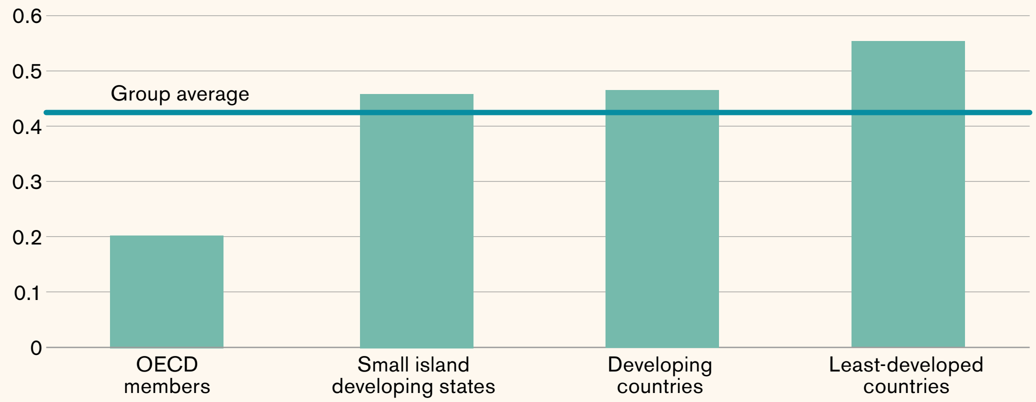
Trade, gender equality and women's economic empowerment

Gender inequality: facts and figures

Achieving gender equality and empowering all women and girls is one of the United Nations Sustainable Development Goals (SDGs) that is to be achieved by 2030. Gender equality features as a prominent and cross-cutting theme of the 2030 Agenda[1], and is key to realizing women's and girls' human rights and catalysing progress across all the SDGs (UN Women, 2018). In addition, empowering women and girls in all dimensions contributes to the achievement of other SDGs, including poverty reduction and improving the health and well-being of future generations.

However, gender inequality remains prevalent all around the world. The case is particularly severe in some regions and countries, which becomes evident when examining the gender inequality index (GII) across both development status and regions.[2] When data are grouped by development status, it can be observed that developing countries, least-developed countries and small island developing states show higher levels of gender inequalities that surpass the group's average (see Figure 1). In addition, the Middle East and North Africa, Sub-Saharan Africa and South Asia tend to show higher levels of gender inequality when compared to other regions (see Figure 2).

Figure 1: Gender inequality index by development status, 2021

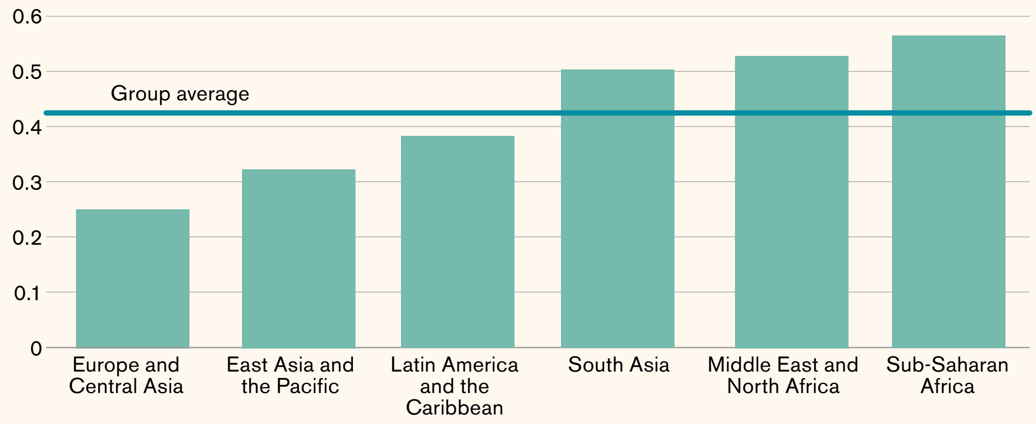


Source: Authors' calculations based on United Nations Development Programme (UNDP) data.

Note: OECD – Organisation for Economic Co-operation and Development

All around the world, and specifically in these regions, women and girls continue to be affected, struggling with job and livelihood losses, disrupted education, increased burdens of unpaid care work and domestic violence (UN Women, 2018). Over 100 million women aged 25-54 years with young children at home were out of the workforce globally in 2020, including more than 2 million who left the labour force owing to the increased pressures of unpaid care work.[3]

Figure 2: Gender inequality index by region, 2021



Source: Authors' calculations based on United Nations Development Programme (UNDP) data.

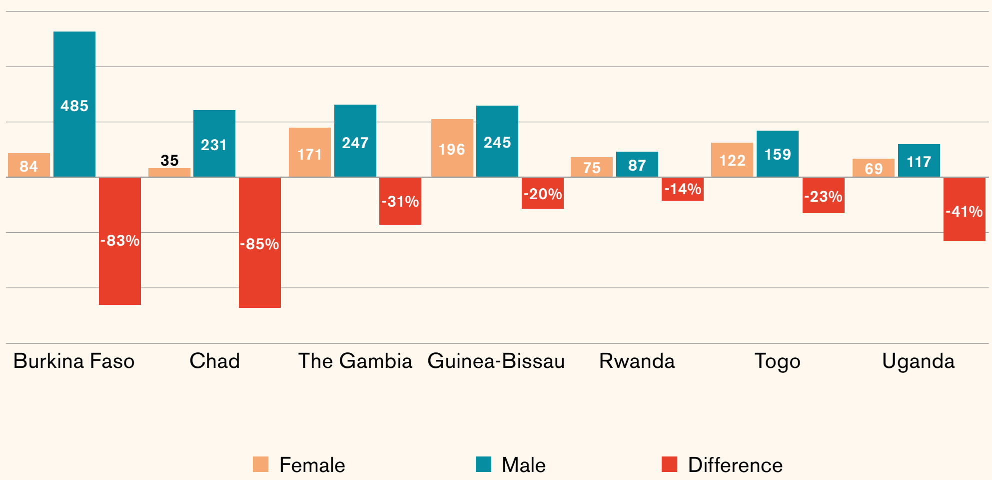
This chapter focuses on women's economic empowerment in the agriculture sector in developing countries. The agriculture sector, both in terms of employment and its interlinkages with the welfare opportunities, represents an important sector for women in developing countries. The World Bank Development Indicators reported that 64 per cent of women in low-income countries and 42 per cent in lower middle-income countries were employed in agriculture in 2019. This is especially the case for South Asia and Sub-Saharan Africa, where in 2019, 57 per cent and 52.7 per cent of women worked in agriculture, respectively.

Although women in low-income countries are mostly employed in agriculture, data are unfortunately sparsely available for all countries. For countries where data are available, it can be observed that women are paid less than men. Figure 3 shows the mean nominal monthly earning of male and female in the agricultural sector (2017 PPP US$) for these countries. In all the seven countries that have data, women earn on average 42 per cent less than men. In Chad, for instance, women earn 85 per cent less than men in the agricultural sector. Moreover, although more women work in agriculture, the share of women who own land is considerably lower in low-income countries. Globally, women own an estimated 12.8 per cent of agricultural land (UN Women, 2018).

Trade and gender

International trade has often helped women participate in the labour force (UNCTAD, 2022), however, the positive effects of women's economic opportunities from international trade can materialize only if trade barriers are minimized. Technical trade regulations or standards due to their high compliance costs and the existence of gendered social structures can pose barriers to trade (UNCTAD, 2022). Access to resources (i.e. technical, productive

Figure 3: **Mean nominal monthly earning in some low-income countries' agriculture sector** (2017 PPP US$)



Source: Author's calculations based on ILO data.

and financial), time and mobility constraints, lack of skills and expertise, are just a few of the potential supply-side constraints that women traders face when complying with these sort of non-tariff measures. These constraints are deeply rooted in the existence of gendered social structures and are specific to country or sector-specific contexts (UNCTAD, 2022). Thus, the impact of more open trade on individual female workers can differ widely depending on where they work, where they live and their specific characteristics (World Bank and WTO, 2020).

From a developing country perspective, the way trade affects women's participation as economic actors corresponds to the economy's trade liberalization. In the garment supply chain, for example, women workers make up at least three-quarters of the workforce.[4] Even though wage employment in agriculture has a positive impact on women, female workers tend to be paid less than male workers (as captured in the previous section), and wages, in general, tend to be low, especially if the competitiveness of the sector is based on price efficiency – such as competitiveness based on price (which tends to be the case for global value chains in fruits, vegetables and fisheries, as well as traditional export commodities such as coffee, cotton and cocoa) (UNCTAD, 2019).

Therefore, gender mainstreaming is of relevance in the case of unilateral trade liberalization. Mainstreaming gender in trade policy has significantly raised the profile of gender equality issues in trade discourse, and international standards, such as voluntary sustainability standards (VSS), can play an important role to realize this.

Against this background, it is essential to explore some tools that will enhance women's economic empowerment. This chapter thus focuses on VSS as one of the market-based tools that can facilitate women's economic empowerment. However, the cross-cutting issues that exist in certain societies, and the widely known unintended effects of VSS on trade, pose challenges that may aggravate the current issues against women. These issues include how certification may increase burden on women's time management and access to information due to childcare and other family priorities, limited access to land rights may undermine her exclusion from additional revenues from being certified, lack of financial literacy to consider certification benefits and limited access to information and community-related development, since it is restricted to landowners, typically men, and thus excluded from becoming members of producer cooperatives, which may inherently reinforce gender inequalities. It is thus important to address these challenges and capture priority areas where VSS schemes may immediately act upon.

Role of VSS in women's economic empowerment and gender-sensitive trade

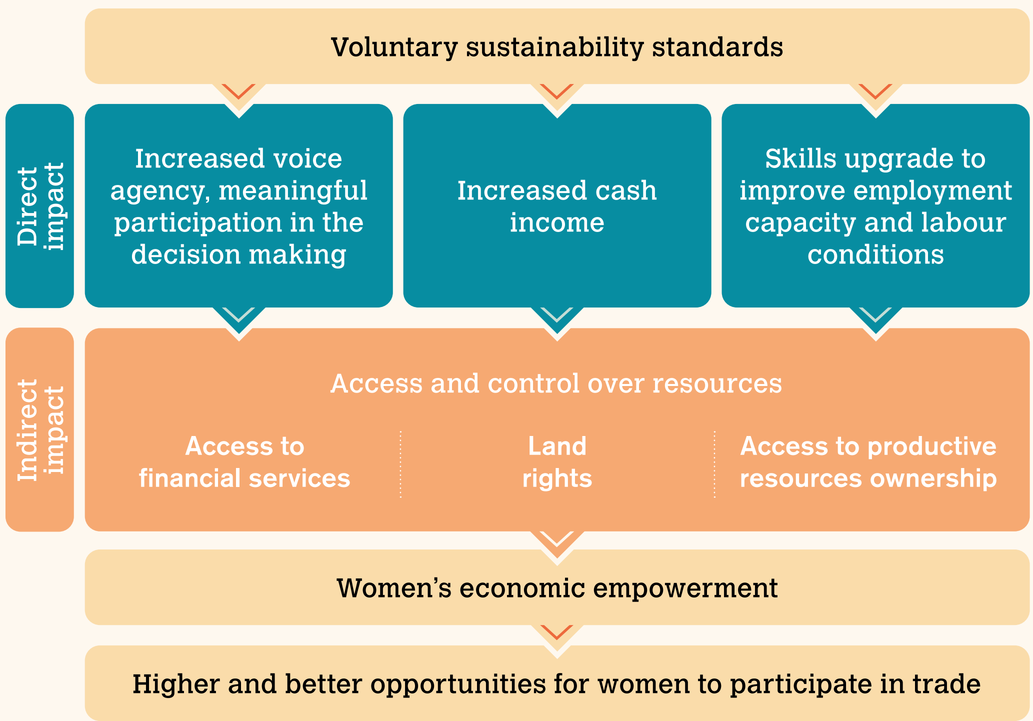
Women's economic empowerment is the ability of women to participate in, contribute to and benefit from the growth processes in such a way that allows the recognition of their contributions, respects their dignity, and makes it possible to negotiate a fairer distribution of benefits for growth (OECD, 2011). Further, it is advocated that economic empowerment is essential to increase women's access to economic resources and opportunities including jobs, financial services, property and other productive assets, skills development and market information (OECD, 2011). Women's economic empowerment is thus imperative to realize women's rights and gender equality.

VSS are defined as "standards specifying requirements that producers, traders, manufacturers, retailers or service providers may be asked to meet, relating to a wide range of sustainability metrics, including respect for basic human rights, worker health and safety, environmental impacts, community relations, land-use planning and others" (UNFSS, 2013). VSS have proliferated in the past decade, becoming key components of global value chains and international trade.

Extant literature suggests that VSS can aid women's economic empowerment and gender equality through: (i) effective standards that integrate into the certification criteria the elements of women's economic empowerment and gender equality; and (ii) the outcomes that arise from applying VSS through specific activities and interventions by certifying bodies, producers as individuals and groups, and the organizations that work with and assist them (Sexsmith, 2019).

Based on the current state of play, Figure 4 highlights the potential role of VSS in advancing women's economic empowerment, directly and indirectly. Directly, VSS can advance the women's economic empowerment agenda through its policies on employment conditions and providing avenues for financial support. Indirectly, VSS supports better living conditions through access to financial services, land rights and access to productive resources ownership, among other things.

Figure 4: Potential role of VSS in advancing women's economic empowerment and gender-sensitive trade



Higher trade opportunities for all: the trade impact of VSS

There are different channels through which VSS can potentially affect trade. UNFSS (2018) shows that VSS affect trade through their effect on the structure of the market and global value chain participation. Sexsmith and Potts (2009) highlight three channels through which VSS can principally change value chain structures. First, by converting products to markets that have higher demand; where consumers are willing to pay a premium price for items that have been produced under sustainable conditions. Second, by changing the relations of participants with other value chain actors, policymakers and other organizations. And third, by altering the rules of value chain involvement and participation, and the distribution of authority to make these rules.

VSS can be catalysts or barriers to trade. One body of literature suggests that these standards could lead to increased exports, as VSS provide a competitive advantage to complying producers, affirm high product quality, and signal sustainable production practices that facilitate their market access to foreign markets. Studies that confirmed the favourable impact of VSS on trade attributed to a demand enhancing effect, reduced information asymmetries and transaction costs, and higher productivity and lower input costs.

However, a second body of literature suggests that the expansion and increased influence of VSS have become an increasing concern for suppliers, particularly in low-income countries. If VSS are *de facto* mandatory for specific markets, small-scale producers mainly risk being excluded from export value chains due to high compliance costs and increasing monitoring costs (UNCTAD, 2008; Unnevehr, 2000). Masood and Brümmer (2014) state that the negative effect of VSS on trade is captured through the cost effect, either the compliance cost or delaying effect and the drive out effect. Also, other non-financial obstacles like financial literacy are found to constrain farmers to adopt standards (Müller and Theuvsen, 2015), and regulatory environment in developing countries (Marx and Wouters, 2014).

The main argument for VSS having a deleterious impact on international trade revolves around the burden of compliance costs (Hobbs, 2010). Mangelsdorf (2011) and Swan (2010) conclude that standards reduce trade when the compliance costs outweigh transaction costs and foster trade, and vice versa.

Better trade opportunities for women through VSS gender-related clauses

The term “gender” refers to the social-constructed roles and behaviours of men and women, and the relations specifically in economic, social, cultural and political contexts (Randriamaro, 2005). Given the specific meanings, practices and consequences of certain gender norms, and relations driven by economic, geographical, political, social and cultural factors, trade-related tools such as VSS may come as “part and parcel” of the global trade development agenda.

> “ VSS can advance the women’s economic empowerment agenda through its policies on employment conditions and providing avenues for financial support.

Although VSS are generally not designed with a focus on women or gender equality (Smith *et al.*, 2019), among those that do have some coverage of gender, there is considerable variation in how it is integrated into standards documents and in how this translates into practice.

The clauses that relate to gender, according to the International Trade Centre (ITC) Standards Map portal,[5] include general non-discrimination requirements, as well as a number of other specific clauses and criteria such as (Smith *et al.*, 2019): (i) general principles addressing gender, including commitment to gender equality and disaggregation data; (ii) process requirements (gender policies, which could be overarching or specific human resource management policies; and gender impact and risk assessments, usually associated with the specific workplace and procurement activities and risks that are analysed in a gender-sensitive way); and (iii) specific criteria around women workers rights and protection from sexual harassment, which might include transparent grievance mechanisms and structures, membership and representation in unions and workers associations.

The fact that women play a key role in global trade and value chains, and especially the primary production of agri-food products (FAO, 2011), the impact of efforts to facilitate women build capacity to comply with trade-related tools such as VSS is important not only to ensure that women are not adversely impacted by VSS, but also for ensuring the effectiveness and efficiency that may come out of complying to VSS.

An inventory of evidence

Analysis of VSS supporting women's economic empowerment

A large part of the economic dependence of low-income and least-developed countries is on the textile and agri-food sectors, both of which are women-intensive. Reflecting on this, it is pertinent to examine the potential role that VSS can play in furthering women's economic empowerment in the agriculture sector. Prior research indicates that gender equality in employment conditions is well-addressed by VSS when it is missing in national regulations, and this can be advantageous for the women workers who are more than often disproportionately crowded into jobs with lower wages and poor working conditions (FAO, 2011; Sexsmith, 2019). According to the ITC Standards Map, 87 out of the 322 VSS included in the standards map have requirements that address violence and harassment, 48 have requirements that address gender-related economic opportunities and 77 that have requirements pertaining to women's health and safety.

Some VSS include gender equality in terms of wages and non-discrimination in their criteria requirements. Most VSS also try to incorporate the ILO Principles in their requirements which mandate having non-discriminatory practices. Bonsucro (2022), for example, mentions an indicator that the "operator ensures that workers do not suffer from discrimination". In addition, other agricultural VSS such as the Rainforest Alliance and the International Federation of Organic Agriculture Movements (IFOAM), known now as IFOAM Organics International, also require having policies that do not allow for discrimination in terms of recruiting people in the farm. Another example of actions taken by VSS is Fairtrade in the banana sector. It aims to address the issues related to the employment of women in the sector, as they are exposed to unfair labour practices. The producer organizations that are certified by Fairtrade have a mandate to ensure equal employment rights among female and male employees which organizations must comply with (Fairtrade, 2018a).

VSS schemes' non-discriminatory policy and work conditions for women

Most VSS have now started putting in place gender policies that call for, among other things, women's workplace equity or women's equal opportunities for advancement (AgriLinks, 2018). Some VSS have also started recognizing the lack of female participation and have started including policies that encourage their participation via inclusion in, for example, stakeholder meetings (Sexsmith, 2019). In addition, VSS have also started adopting policies like maternity leave, flexibility for nursing mothers, and separate sanitation facilities for women that encourage their inclusion in the workplace. The Fairtrade international standard for smallholders, Fairtrade international standard for hired labour, and the Rainforest Alliance, for instance, mandate having the policy of maternity leave for women and separate worksite facilities for women.

Additionally, studies have reflected that VSS-certified farms have more occupational safety, such as in the case of organic certification, where there is a mandate not to use chemical pesticides (Giovannucci and Potts, 2008). Criteria like these also add advantages for pregnant female workers. Some VSS also include the requirements for policies that prohibit any form of sexual harassment in the workplace. In sectors that are more women-intensive, VSS have also initiated efforts like establishing childcare facilities, which provides more flexibility for women to work who are more than often the prime caregivers of the children.

VSS schemes may promote equality in wages and income for women

Most VSS call for providing a minimum wage to workers and some have even started mandating living wage. Research done on 25 VSS mentioned that 32 per cent of VSS mandate a living wage and 16 per cent rigorously support collective bargaining (Bennett, 2017). Although, no VSS (to date) specifically mention women in minimum wages and living wages requirements, the fact that they call for providing these to all employees irrespective of their background is indicative of the fact that if women are employed then they are also entitled to receive these wages. The Rainforest Alliance (2020), for example, mentions a requirement that "Work of equal value is remunerated with equal pay without discrimination e.g., on gender or type of worker, ethnicity, age, colour, religion, political opinion, nationality, social origin or others." This aspect of wages is important in the light of women's economic empowerment because the agriculture sector has a significant employment of women, and women's wages in most areas are not on par with the wages of men. Furthermore, workers on a certified farm are made aware that they are entitled to a minimum living wage as per the requirements specified by the respective standard.

Participation in a VSS programme, in essence, is also expected to ensure better prices by guaranteeing that the certified products are sold at better market prices and have a wider market reach. The Participatory Guarantee System, for example, is being adopted rapidly and is a part of now widely recognized and accepted by IFOAM. It has benefited female farmers in Africa. Rehema Idd, member of Twikinde Group, a women's group based in Diovuva Kenge village in Morogoro, for example, reported that, "In addition to the benefits for the environment and health, there are advantages in the price received by the producer" (SAT, 2018). These mainly arise due to the availability of more avenues for selling the certified product.

> VSS have also initiated efforts like establishing childcare facilities, which provides more flexibility for women to work who are more than often the prime caregivers of the children.

There is research indicates there is a greater possibility to encourage women's participation in waged work in the plantation sector (Sexsmith, 2019). Some standards also encourage undertaking activities that enable women to be employed and earn their own incomes. For example, the Roundtable on Sustainable Palm Oil (RSPO, 2020) calls for interventions like providing training for women to develop their careers in the palm oil sector.

VSS schemes' price premiums

A price premium is the additional compensation that is paid to the producers on top of the selling price of their produce (Marx *et al.*, 2022). This benefit is offered by some VSS in the agriculture sector and producers and producer organizations can decide how they want to use the money.[6] Although there is a lack of gender-disaggregated data on the impact of VSS on incomes of farmers, it is indicated in some research articles that certified producers earn around 7 per cent more net income than the ones not certified – combined with an increase in productivity and benefit of price premiums (COSA, 2013). Price premiums thus provide an additional advantage and serve not only as incentives to participate in the VSS programme but also play a significant role in enabling better conditions for women. Extant research suggests the following main benefits of price premiums for women's economic empowerment:

- To aid gender-equality by improving general conditions, such as healthcare and access to water: The Fairtrade certified PRODECOOP coffee cooperative in Nicaragua has also been dedicating a specific amount of Fairtrade Premium towards implementing their gender equality programme. The cooperative encourages an equal distribution of work and resources for men and women and raises awareness of women's rights throughout coffee-growing communities (Fairtrade, 2018b).
- To provide funding for women-led businesses: The Del Campo nut cooperative in Nicaragua, for example, uses its "Fairtrade Premium" to support women's emerging businesses (Fairtrade, 2019).

VSS schemes' community development on education and training

VSS also provide opportunities that enable indirect impacts for women's economic empowerment. This is mostly through the training they provide, opportunities for education and related support. The Rainforest Alliance, for example, is running a project to improve the economic conditions of women in communities across Guatemala, Honduras and Mexico. The project aims to provide training and seed investment to women, ensuring economic growth opportunities. This project's target is to train more than 3,700 women, establish at least 30 new business agreements, and distribute at least US$ 1 million in seed capital financing for women (Rainforest Alliance, 2021). The focus areas of the project are:

- Integrating women into workforce: This is to be done through training and capacity building initiatives on key topics like business development, leadership, and human rights.

- Encouraging women entrepreneurs: The project will set up the Women's Entrepreneurship Fund to provide seed funding to women-owned or led businesses, and help women succeed in starting or strengthening their enterprises, such as producing and selling homemade chocolate or selling eggs from local hens.
- Enabling women in the economy: The project will establish Women's Leadership Alliances. This will be key for providing support to women and linking them with cooperatives, business associations, entrepreneurial support groups and women's groups.

VSS also provide training for women that helps them know more about the good agricultural practices and issues like finance, agricultural inputs, decision-making, leadership and gender equality. An example of that is the leadership school run by Fairtrade (Fairtrade, 2019).

Another example is IFOAM, which runs a training module on gender in organic agriculture (IFOAM, 2018). Both these programmes aim to provide training for women to develop their skills. The Better Cotton Initiative also provides training that in addition to aiding on topics such as harvesting techniques and raises awareness on issues connected to maternal and infant health.[7]

The Aid by Trade Foundation's Cotton made in Africa (CmiA) standard also provides training beyond cotton cultivation in Sub-Saharan Africa. CmiA runs the Community Cooperation Programme. It has set up clubs, supporting income-generating projects for women's groups and implementing gender equality measures within the cotton growing areas. A model for women's empowerment is the 500 women's clubs that have been set up in Zambia, each having an elected governing body (CmiA, 2019).

In relation to education, some VSS also focus on education of young girls. In India, the Rainforest Alliance has certified tea estates in the Havukal and Warwick regions. These ensure that children have free access to schools run by teachers whose salaries are paid by the government (Rainforest Alliance, 2015). Some standards such as Fairtrade International standard for hired labour and those of the IFOAM and the Rainforest Alliance even call for "equal educational opportunities" for women.

Training and education provided by these standard organizations are important as they provide opportunities for women to take partial or complete control of their business (e.g. via seed funding) and have an opinion of their own and have a voice in decision-making, as it allows them to gain more confidence and thereby express their opinions on family-related or farm-related issues. Women's economic empowerment benefits from arduously strengthening women's participation in training and increased education access, among other things, these objects can be fulfilled indirectly with the requirements of VSS certification schemes and additional activities that VSS undertakes.

VSS schemes' indirect ability for women to own land

Women in developing countries are sometimes denied their fundamental rights, and this is the case when it comes to land ownership, agency or decision-making, where male counterparts have a greater say. In terms of land ownership, which is among the most important household assets, it is often linked to a higher level of investment and productivity in agriculture. In most instances, women are disadvantaged in terms of land rights, and it is most often cited that it is because of their lack to have a legal document that provides ownership proof (Meinzen-Dick *et al.*, 2019).

While VSS might not have much role to play in this aspect, some of them have indirectly enabled women to own land. In Central America and Mexico, some studies have revealed that requirements of VSS, for example, farm owners to be present during audits for organic certification, have led to transfer of land rights to women from men who have migrated. Fairtrade's Growing Women in Coffee project in Kenya, for example, has encouraged the transfer of coffee bushes to women coffee farmers, of which 300 women from the Kabngetuny Cooperative received training on how to best manage their land and have good-agricultural practices. This led to them having an independent income for the first time.

Empirical literature reviews

Few quantitative studies have looked at the gender equality impact of VSS. Table 1 summarizes some of these studies and their outcomes. It illustrates the different results reached, where some studies argue that VSS has a positive impact on women's economic empowerment, while other indicates no change or negative impact.

Table 1: Overview of the empirical evidence on VSS impact on gender empowerment

Authors (year), research focus and place	Standards	Impact of VSS	Result and conclusion
Meemken and Qaim (2017) Can private food standards promote gender equality in the small farm sector? Uganda	Fairtrade UTZ	Favourable	Standards and their certification programmes increase wealth in male-headed and female-headed households. They also improve access to agricultural extension for both male and female farmers. While in non-certified households, assets are predominantly owned by the male household head alone, in certified households most assets are jointly owned by the male head and his female spouse. Private standards cannot completely eliminate gender disparities, but the findings suggest that they can contribute towards this goal.
Chiputwa and Qaim (2016) Income and gender affect nutrition, and are both endogenous and influenced by certification. Uganda	Fairtrade Organic UTZ	Favourable	Estimates show that certification increases calorie and micronutrient consumption, mainly through higher incomes and improved gender equity. Sustainability standards can increase women's control over coffee revenues.

Authors (year), research focus and place	Standards	Impact of VSS	Result and conclusion
Loconto (2015) Can certified tea value chains deliver gender equality in Tanzania? Tanzania	Ethical Tea Partnership Fairtrade standards	No effect	Sustainability standards fail to challenge traditional gender roles and inequalities if men's dominance in farmer organizations and in cash crop marketing persists. Standards are not able to help in dealing with the threats of mechanization, an aging rural population and inadequate skills. Women will most likely suffer disproportionately given the inequities in knowledge of technical skills.
Sen (2014) The ways in which women's collective agency can emerge within market-based production systems and how poor women farmers navigate inequities. India	Fair Trade	Negative	Women in the cooperative did not perceive market-based trade as a problem. It was the gendered barriers within their community, unintentionally strengthened by fair-trade initiatives that they regarded as the major impediment to their options for earning cash and supplementing their family income.
Kloos and Renaud (2014) How organic certification constitutes a suitable adaptation strategy in north-west Benin to make rural households more resilient to the increased likelihood of flooding, high-intensity rainfall or droughts. Benin	Organic	Favourable (indirectly)	Organic certification indirectly contributed to empowering women. Conventionally, cotton is cultivated with high rates of chemical pesticides and fertilizers, the application of which is locally perceived as a male task. However, the use of chemical inputs is prohibited in certified organic production, making women's involvement more socially acceptable.
Bolwig (2012) How the costs and benefits of participation in organic certificates are distributed among men and women? Uganda	Organic	Mixed effect	The certification led to its improved food security as higher revenues from certified organic crops enhanced households' capacity to access food through the market. Women generally had much less control over the benefits from scheme participation than did men, while often carrying an equal or larger share of the labour and management burden.

Authors (year), research focus and place	Standards	Impact of VSS	Result and conclusion
Hutchens (2010) To what extent are women empowered through fair trade? Asia	Fairtrade	Negative	Fairtrade's "charity" approach to the craft sector reinforces traditional gender hierarchies. There is absence of a policy framework and institutional mechanisms that promote women's empowerment as a rights-based rather than a culture-based issue.
Bacon (2010) Did male and female members of cooperatives selling certified Fair Trade and organic coffee feel more empowered than others lacking these network connections? What were the drivers of empowerment? Nicaragua	Fairtrade Organic	No effect	There exist still low female empowerment levels in certified cooperatives due to that, men continued to occupy all the leadership positions, and fewer women in these cooperatives had land titles.
Lyon *et al.* (2010) How will fairtrade–organic organizational and procedural norms affect women's insertion into the coffee value chain? Mesoamerica	Fairtrade	Favourable	Women's engagement in Fairtrade–organic coffee can improve access to organizations, property and income. However, the burden of complying with norms together with stagnant real prices excludes some women who might otherwise benefit from expanded participation.
Lyon (2008) Analyses the understudied gendered dimensions of fair-trade coffee networks and certification practices. Guatemala	Fairtrade	No effect	Fairtrade's network is falling far short of its goal to promote gender equity, particularly in three important realms: voting and democratic participation, the promotion of non-agricultural income-generating programmes and support for female coffee producers.

Although some studies on the topic may not be listed, from the ten studies reviewed in this chapter (see Table 1), it is vital to say that more research is needed in this area. Table 1 asserts that the evidence of the gender equality and women empowerment impact of VSS is relatively weak and case-specific and confirms what Giroud and Huaman (2019) mentioned about the lack of evidence on the impact of VSS on gender equality. This is the case for many reasons, including: studies are few in number; they focus on few standards (mainly Fairtrade and organic), and with one exception, studies focus on one country, i.e., not carrying out a cross sectional analysis across countries and value chains.

Analyses of evidence on voluntary standards eliminating gender disparities

The evidence on VSS impact on women's economic empowerment is inconclusive; while the favourable evidence exceeds the negative one, there remains a big share of papers that indicate no effect of VSS on women's economic empowerment (30 per cent; see Figure 5).

The ten studies focused on five variables through which VSS can potentially impact women's economic empowerment: cash income; access to non-financial resources; employment; voice, agency and participation in decision-making; and control over revenues and benefits (see Table 2).

Figure 5: Summary on the empirical evidence of the impact of VSS on women's economic empowerment

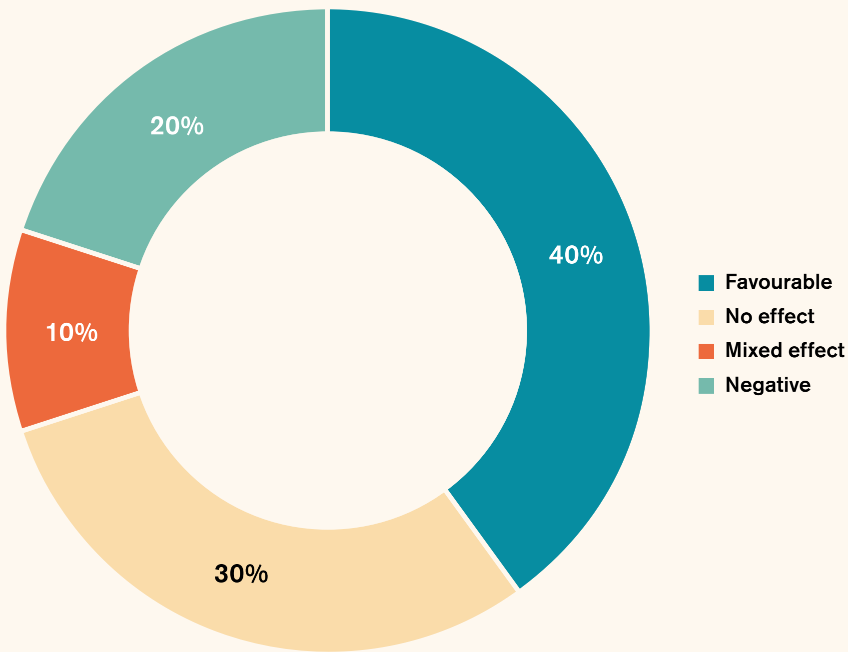


Table 2: The summary of each paper in terms of studied variables, result regarding each variable and overall result.

Study	Cash income	Access to non-financial resources	Employment	Voice, agency and participation in decision-making	Control of revenues and benefits	Overall impact
Meemken and Qaim (2017)	↑	↑				Positive
Chiputwa and Qaim (2016)	↑	↑			↑	Positive
Loconto (2015)			→			No effect
Sen (2014)	↓					Negative
Kloos and Renaud (2014)				↑		Positive
Bolwig (2012)		↑			↓	Mixed effect
Hutchens (2010)	Looked at (i) VSS approach and (ii) institutional mechanism					Negative
Bacon (2010)				→		No effect
Lyon *et al.* (2010)	↑	↑				Positive
Lyon (2008)				→		No effect

↑ Positive ↓ Negative → No effect

Cash income

Four studies investigated the impact of VSS on cash income. Three studies, namely Meemken and Qaim (2017), Chiputwa and Qaim (2016) and Lyon *et al.* (2010) found that VSS led to increased income for women specifically. On the contrary, one study (Sen, 2014) found that VSS had a negative impact on income.

Sen (2014) explained the negative impact of VSS on women's income by the fact that women have less access to VSS and thus the certification can work as a major impediment to their options for earning cash and supplementing their family income.

Employment

Loconto (2015) looked at whether certified-tea value chains deliver gender equality in Tanzania. It was concluded that standards are not able to help in dealing with the threats of mechanization, an aging rural population and inadequate skills. Women will most likely suffer disproportionately given the inequities in knowledge of technical skills.

Access to non-financial resources

Four studies, namely Meemken and Qaim (2017), Chiputwa and Qaim (2016), Bolwig (2012) and Lyon *et al.* (2010), explored the impact of VSS on accessing non-financial resources, namely access to agricultural extension (one study), and access to organization and property (one study) and food security (two studies). All have confirmed positive impacts of VSS on access to financial resources. That is, the first one found that VSS contribute to access to agriculture extension for both females and males. The second one confirmed that VSS do have a positive impact on women's access to organization and property. While the latter two studies showed that VSS contribute to increased calorie and micronutrient consumption

Control over revenues and benefits

Two studies looked at the impact of VSS on women's control over resources (Bolwig, 2012; Chiputwa and Qaim, 2016). The result is inconclusive, as two studies suggested that VSS contributes positively to women's control over resources, while the other suggested the opposite and highlighted gender relations as being a critical factor for women's welfare outcomes.

Voice, agency and participation in decision-making

Three studies investigated the impact of VSS on voice, agency and participation in decision-making – Kloos and Renaud (2014), Bacon (2010) and Lyon (2008). Two-third of the studies confirmed that VSS have not contributed to female empowerment in terms of participation in leadership positions and voting and democratic participation.

Other indirect impacts of VSS on women's economic empowerment

Kloos and Renaud (2014) found that VSS organic certification indirectly contributed to empowering women. Conventionally, cotton is cultivated with high rates of chemical pesticides and fertilizers, the application of which is locally perceived as a male task. However, the use of chemical inputs is prohibited in certified organic production, making women's involvement more socially acceptable.

Hutchens (2010) and Lyon *et al.* (2010) revealed that VSS unintentionally reinforce the gendered barriers within their studied communities.

From the above, it can be concluded that private standards cannot completely eliminate gender disparities, but the findings suggest that they can contribute towards this goal.

> VSS provide opportunities to bridge the gender gap through multiple mechanisms, such as requirements for equality in jobs and wages.

Empirical evidence contributing to the negative results of VSS on women's economic empowerment

Given that some studies have shown that VSS had sometimes led to negative results on women's economic empowerment and its dimensions, we have dived more into these studies and analysed the reasons behind these conclusions:

Sen (2014), who studied women organic tea producers in rural Darjeeling, India, found that despite smallholder women's entrepreneurial ventures, they were seen as housewives, not capable of organized business ventures and hence were denied fair trade resources as they were inspected by a male inspector from Delhi. Despite its aim of creating a better alternative to neoliberal trade and development, fair trade relies on technical interventions resembling the liberal methods of conventional development practice. For example, certification involves checklist-style, top-down, bureaucratic procedures for monitoring and inspecting farms and farming techniques, for examining on-farm labour relations, for tracking the use of Fairtrade premiums by farming communities, and for implementing empowerment directives from Fairtrade inspectors.

Bolwig (2012) and Lyon *et al.* (2010) found that gender relations were a critical factor for women's welfare outcomes. Bolwig (2012) mentioned that women generally had much less control over the benefits from scheme participation than did men, while often carrying an equal or larger share of the labour and management burden.

Hutchens (2010) and Sen (2014) showed that certification reinforces the traditional gender hierarchies.

Charting the way forward: priority areas to make VSS work for women

From the discussions presented in this chapter, it is evident that there still exists a considerable gender-related gap in the agriculture sector, especially in developing countries, which leads to a missed economic opportunity and thus, a need to leverage the existing tools that can foster women's economic empowerment. While the report highlights that VSS are one such tool, it also recognizes that VSS come with challenges and the impacts of their adoption are rather mixed.

VSS, on one hand, provide opportunities to bridge the gender gap in agriculture sector through their multiple mechanisms, for example, their requirements for equality in jobs and wages. It is key to realize that transformation of current practices and existing situations go above and beyond market-based tools like VSS, and that VSS are just one part of the solution. Some of the priority areas where VSS can work for women are listed below.

Fostering transparency with data governance

There is a need to embed data collection practices, as this will play a vital role as reference point and management framework for sustainable and responsible practices in supply chains and policymakers.

Especially for women, many developing countries do not have gender segregated data and do not always register different types of employment, making it impossible to analyse the number of, and the extent to which women have been affected (ITUC, 2011). Women have diverse and multifaceted roles in agricultural work, including as subsistence agricultural producers, workers for out-grower schemes and waged agricultural workers (FAO, 2011; Sexsmith, 2019).

Furthermore, data on women participating in standards-setting and implementation are still almost completely lacking, as is a robust methodology for collecting it.[8] Inadequate attention to gender in VSS could be related to a lack of representation of women in VSS regulatory processes, including agenda-setting and development of standards, policies and strategies.

Such under-reporting or the lack of data in general can make the deployment of VSS difficult to assess how much change these VSS schemes have brought about for women and the companies they work for, whether the incentives for companies are sufficiently large to enable the schemes to scale up. Data governance represent an important innovation in the VSS model from a gender perspective.

Facilitating information sharing and trainings for women that takes into account their limited time and restricted mobility

There is a need to innovate the way information is being transferred to women and provide flexibility in the trainings that do not undermine women's role as a caregiver.

Certification requires additional tasks to improve product quality and environmental management, and a number of studies have shown that, on smallholder farms, this additional labour is often provided by women (Sexsmith, 2019). Further to the compliance to meet the certification's crop quality and environmental sustainability criteria, rural women's labour is also characterized by multiple and simultaneous activities including household, childcare, farming and minding stock, among other things. Such competing demands make women's time very limited and many of these chores are typically unpaid and unrecognized, thus making certification criteria to meet an additional burden on women. This largely affects their quality of life and decision-making, reduces their time and mobility to attend extension services and trainings, and prevents them from taking full advantage of economic opportunities through engagement in income-generating activities.

> "There is a need to innovate the way information is being transferred to women and provide flexibility in the trainings that do not undermine women's role as a caregiver.

Furthermore, extension and technical support are more likely to reach men than women as information on the use and upkeep of agricultural technologies are provided by agricultural extension agents, who are typically men, and may not recognize the work women engage in, or be able to effectively communicate to women. Sometimes extension advice is offered to men with the assumption that the information is passed on (FAO, 2016). For this matter, women often rely on men for information about certifications. This also puts them in a more inferior position when it comes to the understanding of the certification processes, costs, and benefits.

Improving access to land rights for women

There is a need for land coalition reform through certification schemes.

Women's unequal rights to land are not a specific focal area of certification schemes. Among certified farmers, women still have lower rates of land ownership and farm less productive land than men (COSA, 2013). In many cases, women's rights to land remain mediated by men under certification. By such unequal terms, women are often excluded from services (inputs, financial and technical) and organizations through which VSS are implemented. Furthermore, women often do not receive the additional revenues from certified sales, nor do they belong as members to producer cooperatives as often because membership is restricted to landholders. Thus, it is not surprising that women have less interest in certifications, and may even be completely unaware of its benefits as the information are normally left to the landowners to decide.

Lessons can be learned from the land certification scheme in Ethiopia which requires at least one female member on the land administration committees and land certificates include maps and pictures of the husband and wife. In a pilot initiative with the Food and Agricultural Organization of the United Nations (FAO) in Tajikistan, the United Nations Development Fund for Women (UNIFEM) supported the establishment of 16 District Task Forces (DTFs) on land-related issues in three provinces. The task forces provided legal advice on land rights, and rural women could also attend classes on leadership skills, cooperative formation, farm management and community activism. From 2003 to 2008, the staff of the DTFs provided legal advice and practical assistance to approximately 14,000 rural women and men and conducted around 500 meetings and consultations in villages. As a result, the proportion of farms registered to women rose from 2 per cent in 2002 to 14 per cent in 2008. District-level governments are now funding the work of the DTFs through their own budgets.[9]

Fostering financial literacy to empower women

There is a need to develop financial literacy for women as an anchor to make informed decisions and take effective measures.

One thing we can learn from the COVID-19 pandemic is the importance of savings and investments, thus it is essential to become financially literate despite gender, age, place and lifestyle, among other things.

However, for many (rural) women in developing countries, the main constraint in accessing financial services is the high illiteracy levels of rural populations which results in a lack of financial literacy and limited access to information on financial products and services (Isaac, 2014). The illiteracy of rural women is limiting their benefits from financial services, as all financial procedures such as instructions, rules, contracts, statements, cheques, and letters are always communicated in written form (Murray and Boros, 2002).

This sets structural issues when it comes to VSS. The opportunities related to VSS are often impeded by women's lower levels of education, limited access to resource and finance, and restrictions on their mobility. These issues are linked to the wider macroeconomic dimensions, where institutional policy is critical.

Lifting the unwritten barriers for women to participate in community development

There is a need to amplify the role of women in community development through certification schemes.

The points mentioned above have directly and indirectly contributed to women's absence in community development activities. From the issue of battling against time, where women perform multiple duties, to their illiteracy to gain access to finances and resources, to their limited access to land rights, all of which play a big role to allow women to be contributors to community development. If these are out of reach, then the whole idea to relegate women's leadership for community development is far-fetched.

By creating the conditions for women to participate in the community more fully in the community and contribute their diverse skills, passions and abilities, we should not only address equal rights and discrimination but also enhance the opportunities for women, and their families, to make meaningful connections, engage in the local economy and ultimately thrive for the benefit of all.

The FAO estimates that the gains in agriculture production alone could lift 100-150 million people out of hunger (FAO, 2011). Furthermore, in a full potential scenario in which women play an identical role in labour markets to men, as much as US$ 28 trillion, or 26 per cent could be added to the global annual GDP in 2025.

Given that women often do not own the land that is certified, they are often excluded from becoming members of producer cooperatives due to the membership type which are often restricted to landowners. Therefore, if specific outreach with women is not undertaken, certification schemes can inadvertently reinforce gender inequalities in the access to information and community-related development programmes.

Accelerating women's economic empowerment to strengthen food security

There is a need to attribute the role of women empowerment as prerequisites for food security – building resilience and decreasing vulnerabilities to cope with inflation and pandemic.

> “If women had the same access to resources and education as men, agricultural production would be able to lift millions of people out of hunger.

Rural women play an essential role in food security – availability, accessibility, utilization and stability. Abolishing gender-specific barriers in agriculture would not only empower women to achieve their highest economic potential but could also alleviate food insecurity. As mentioned earlier in this chapter, if women had the same access to resources and education as men, agricultural production would be able to lift millions of people out of hunger. These income earnings would enable women to spend more money on health care and education for their children, investments that could produce long-term positive results for farm families and their neighbours.

Therefore, a requirement in the fight against hunger and poverty is to promote women's economic empowerment.

However, it has been noted that VSS may inherently incentivize cultivation for cash crops, mostly to be exported. Women are typically responsible for subsistence agriculture which contributes to household food security, while men tend to dominate the cash crops. Thus, the unequal gender-related land tenures could be further exacerbated by certification, resulting in women losing their access to land for subsistence food production, giving way to the cultivation of cash crops (Sexsmith, 2019). This adversity can completely undermine household food security.

For this reason, certification should also be studied for domestic food security needs, and beyond economic value, especially for countries that are particularly suffering from food shortages.

Opportunities can be created for women to take the helm of changes within the agriculture sector, such as the production of new crops, new technologies and new markets. It is not a question of carrying out traditional agriculture but rather that women should have access to knowledge and technology which enables them to achieve greater performance in their tasks. It is essential to study those avenues which may allow the empowerment of women through acquiring greater protagonists in social and economic relations.

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Endnotes

1. For more information, see https://sdgs.un.org/2030agenda.
2. The GII is a composite measure reflecting inequality between women and men and is denoted in three dimensions: reproductive health, empowerment and labour. The GII was introduced in the 2010 Human Development Report by the United Nations Development Programme (UNDP).
3. See https://ilostat.ilo.org/over-2-million-moms-left-the-labour-force-in-2020-according-to-new-global-estimates.
4. See https://gbv.itcilo.org/index.php/briefing/show_paragraph/id/40.html.
5. See https://standardsmap.org/en/home.
6. For examples on the price premium, see https://www.fairtrade.net/impact/fairtrade-premium-spending-by-sdg and https://www.mckinsey.com/featured-insights/employment-and-growth/how-advancing-womens-equality-can-add-12-trillion-to-global-growth.
7. See https://stories.bettercotton.org/bci-farmer-results--2018-2019.
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9. See the guide on increasing women's access to land at https://www.oecd.org/dac/gender-development/47566053.pdf.

Assessing the potential of trade policy reform for closing gender wage gaps

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Abstract

On average, female workers receive a lower wage than male workers. In this chapter, we analyse the potential contribution of trade policy reform to a reduction in this gender wage gap. We first establish four stylized facts: (i) tariffs are on average higher in more female labour-intensive sectors; (ii) trade costs are on average larger in female labour-intensive services than in goods; (iii) services trade restrictiveness is higher in more female labour-intensive services; (iv) trade costs associated with the need for face-to-face interaction are larger in female labour-intensive sectors.

Based on these stylized facts, we conduct counterfactual trade policy experiments with four key findings. First, equalizing tariffs to eliminate the bias against female labour will not help to reduce the wage gap according to the simulations. Second, more sophisticated tariff liberalization would reduce the female wage gap, but the contribution would be marginal. Third, reducing services trade restrictiveness can deliver a modest contribution to closing the female wage gap. Fourth, accelerating the digitalization of the economy to reduce trade costs related to the need for face-to-face interaction, is projected to reduce the male wage premium substantially (by almost 1 per cent).

Introduction

Achieving gender equality and empowering all women and girls is the United Nations Sustainable Development Goal 5 as part of its 2030 agenda (United Nations, 2015). Yet, countries globally at all levels of development are far away from reaching this goal, let alone by 2030. The World Economic Forum (2022) estimates that at current rates it will take 132 years to completely close gender gaps, up from 99.5 years in 2019 due to the harmful effects of the pandemic. This shows that countries need to significantly improve their efforts to address gender equality in order to make meaningful progress in the foreseeable future. One area that has received little attention in this regard, despite accounting for more than 50 per cent of global GDP, is international trade.

International trade has long been linked to inequality. Factor endowment theories such as the Heckscher–Ohlin model predict that a country's relatively scarce factors incur welfare losses from trade liberalization. Since then, an extensive empirical literature has examined the impact of trade liberalization on inequality.[1] However, most of this literature approaches inequality from a skill perspective, focusing on the diverging effects on high versus low-skilled workers or on occupations with different skill intensities.

In contrast, the literature on trade and gender is relatively small. Recent work has exploited firm-level data to show that exporting firms have larger gender wage gaps (Boler *et al.*, 2018; Janse van Rensburg *et al.*, 2020). Other work has found that in the context of North American

Free Trade Agreement (NAFTA), trade agreements seem to have benefited gender equality in Mexico but harmed it in the United States (Hakobyan and McLaren, 2018; Juhn *et al.*, 2014; Saure and Zoabi, 2014). Earlier work has examined how increased competition from imports leads to a narrowing of the gender wage differences in concentrated (i.e. non-competitive) industries relative to industries that were competitive before trade liberalization (Black and Brainerd, 2004).

There is no work to our knowledge assessing the potential contribution of trade policy reform to tackling gender inequality in the labour market.[2] This is surprising as various recent studies have demonstrated that sectors with higher female employment intensities face larger tariffs on their inputs and output.[3] We address this gap in the literature by simulating the effects of trade policy reform scenarios in two ways.

First, we analyse to what extent tariff reform can contribute to closing the gender wage gap. Intuitively, removing the differential treatment in market access should facilitate women's opportunities in the labour market. This is similar in spirit to work by Shapiro (2021) who shows that addressing the pro-pollution bias in tariff policy can lower CO_2 emissions. However, as we show in this chapter, the situation with gender equality is not that simple due to the presence of countervailing factors.

Second, we evaluate the potential of services trade liberalization to limit the gender wage gap. When analysing trade liberalization with a gender lens, it is important to put special emphasis on services trade. Globally, services account for 59 per cent of female employment as of 2019.[4] At the same time trade in services faces high trade costs in the form of regulations and other non-tariff barriers. Benz and Jaax (2022) measure *ad valorem* equivalents of barriers in services trade using the Organisation for Economic Co-operation and Development (OECD) Services Trade Restrictiveness Index (STRI) and find that these costs are around "57% for communication services and 54% for business services, around 60% for transport services, around 103% for insurance services, and around 255% for financial services" – demonstrating the high potential for cost reduction in these sectors.

To conduct the analysis, we use the WTO Global Trade Model, a recursive dynamic computable general equilibrium (CGE) model, expanded with labour supply differentiated by gender based on the World Bank's Gender Disaggregated Labor Database (GDLD).[5] The analysis reveals that tariff policy reform can deliver only a very marginal contribution to closing the female wage gap. Equalizing tariffs between sectors to correct for the tariff bias against women would not make any contribution. The reason is that although it would raise export opportunities of female labour-intensive sectors and reduce its intermediate input costs, it would also raise import competition in those sectors. A more sophisticated tariff reform considering the impact of the export opportunities channel, intermediate input channel and import competition channel would reduce the male wage premium, but only marginally, by about 0.001 per cent.

"There is potential for digitalization to contribute to a reduction in the female wage gap in such face-to-face intensive sectors.

Evidence suggests that tariff reform in merchandise trade does not deliver a meaningful contribution to closing the gender gap in the model. There also exist non-tariff barriers in merchandise trade that may contribute to this gap, we refrain from exploring them for the scope of this analysis. Instead, we analyse the contribution of removal of barriers in services trade. Three stylized facts inspire the work. First, inferred trade costs are larger for services than for goods. Second, services trade restrictiveness is larger in sectors which are more female labour intensive. Both these facts suggest that services trade liberalization can help to reduce the female wage gap. Third, international trade is limited by the need for face-to-face interaction in many economic transactions, especially in services. Digitalization can reduce this need for physical face-to-face interaction, as seen during the COVID-19 pandemic, making it possible to deliver more goods and services digitally. Our analysis shows that the higher trade costs in services are to a large extent explained by the higher trade costs in face-to-face intensive sectors. At the same time, sectors with a larger face-to-face task intensity are more female labour intensive, for example, the sector called "osg" which includes public administration, defense, education and other such services have one of the highest female and face-to-face intensities. Digitalization could reduce face-to-face interaction requisite for these sectors and hence, improve trade prospects. This implies that there is potential for digitalization to contribute to a reduction in the female wage gap in such face-to-face intensive sectors.

Our results suggest that a reduction in services trade restrictiveness can deliver a modest contribution to the reduction in the female wage gap of around 0.03 per cent. A reduction in trade costs associated with the need for face-to-face interaction could deliver an even more significant contribution to the reduction in the female wage gap. Our projections indicate that the male wage premium could fall by almost 0.4 per cent.

The analysis has three policy implications. First, despite the gender bias in tariffs, tariff reform appears to have little potential to reduce the female wage gap. Second, services trade liberalization can help to make a more meaningful contribution to the reduction in the female wage gap. Third, policies supporting the digitalization of the economy can make a significant contribution to closing the female wage gap.

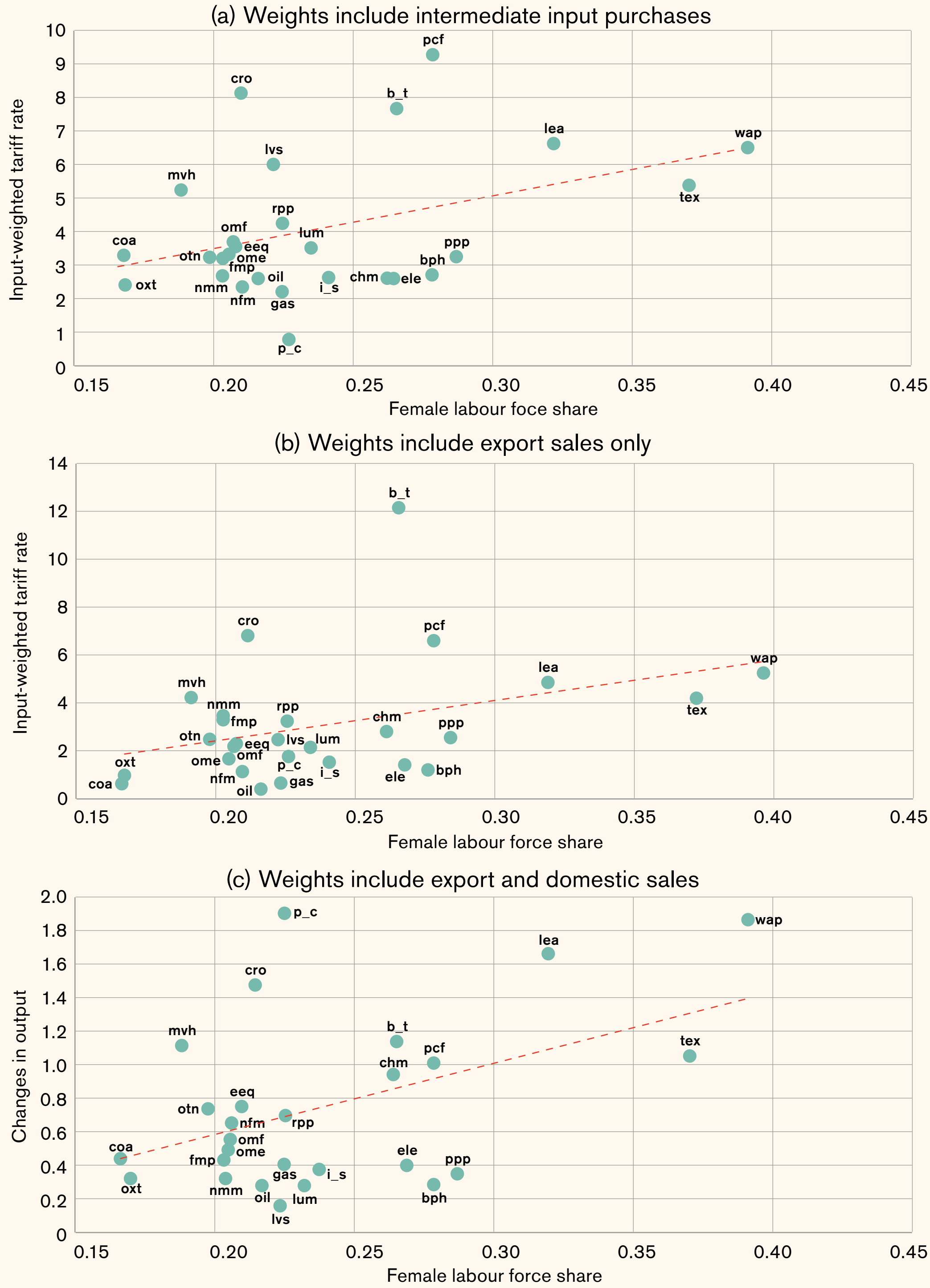
The gender bias in manufacturing tariffs

Stylized facts

Before conducting counterfactual analyses, we explore the relation between the female labour intensity of sectors and their tariff rates in two ways. First, we examine the relation between the average tariffs on intermediate inputs used by a sector and its female labour intensity. Second, we study the relation between the average tariffs faced by an exporting sector and the female labour intensity of the sector. For both relations we combine tariff data and production data from the multiregional input–output tables in the Center for Global Trade Analysis (GTAP) Data Base with data on female labour intensity (in number of workers) from the GDLD.

Starting with the first relation, Figure 1(a) shows a positive relationship between the average tariffs on intermediate inputs and female labour shares. Sectors that have a high female labour share such as wearing apparel (wap) and textiles (tex) face a higher input tariff than sectors with lower female shares such as petroleum and coal products (pc) and minerals (oxt). This finding is in line with the analysis in World Bank Group and WTO (2020).

Figure 1: Relationship between tariff and female labour share



Source: WTO Secretariat calculations based on GTAP multiregional input–output tables and World Bank Household Surveys for the most recent available years.

Note: See Table 1 for sector descriptions. Weighted input tariffs are calculated as a weighted average of sectoral tariffs with the weights being the import volume shares. Final averages across all regions for each sector are unweighted. An additional change is that the domestic sales do not include domestic sale and purchase of fossil fuel sectors

Table 1: Sectoral aggregation

Sector	Sector description
b_t	Beverages and tobacco products
bph	Manufacture of pharmaceuticals, medicinal chemical and botanical products
chm	Manufacture of chemicals and chemical products
coa	Coal
cro	Crops
eeq	Electrical equipment
ele	Manufacture of electrical equipment
fmp	Manufacture of fabricated metal products, except machinery and equipment
gas	Gas
i_s	Iron and steel: basic production and casting
lea	Manufacture of leather and related products
lum	Lumber: manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials
lvs	Livestock
mvh	Manufacture of motor vehicles, trailers and semi-trailers
nfm	Non-ferrous metals: production and casting of copper, aluminium, zinc, lead, gold and silver
nmm	Manufacture of other non-metallic mineral products
oi	Oil
ome	Manufacture of machinery and equipment n.e.c.
omf	Other manufacturing: includes furniture
otn	Manufacture of other transport equipment
oxt	Other mining extraction (formerly omn): mining of metal ores; other mining and quarrying
p_c	Petroleum and coke: manufacture of coke and refined petroleum products
pcf	Processed food
ppp	Paper and paper products: includes printing and reproduction of recorded media
rpp	Manufacture of rubber and plastics products
ser	Services
tex	Manufacture of textiles
wap	Manufacture of wearing apparel

A similar picture arises for the second relation. Figure 1(b) and (c) show that tariffs faced are higher in exporting sectors which are more female labour-intensive. Figure 1(b) shows the relationship with only export sales included and Figure 1(c) includes also domestic sales when calculating the average tariffs faced with tariffs on domestic sales set at zero. Considering only export sales (b), textile (tex), wearing apparel (wap) and leather (lea) all face high tariffs and have a high female labour intensity. With both export and domestic sales included (c), the distribution of tariffs faced by exporters changes slightly: tariffs for female labour-intensive sectors such as wearing apparel, textile and leather are now clearly higher than average tariffs.

These results help establish empirically a gender bias that may exist in tariff impositions. However, these correlations do not imply automatically that equalizing tariffs across sectors will reduce the gender wage gap. This depends on how such changes would work out in the economy characterized by complex interlinkages between countries, sectors and production factors. Therefore, we employ a general equilibrium model to evaluate if removal of the bias would lead to a reduction in gender disparity.

Simulating the effect of tariff liberalization on gender wage gaps

Discussion of simulation design

Given the gender bias in tariffs established in the previous section, we design tariff reforms that aim to reduce tariffs in female labour-intensive sectors for all 26 regions considered. We use the WTO Global Trade Model (GTM)[6] and extend it with a gender disaggregated labour supply, to analyse the impacts of trade reforms on output and gender inequality in the labour market. For this section, we restrict our focus to the merchandise sectors facing tariffs and hence, aggregate all services sectors into one. We also change the other sector aggregations to ensure each sector accounts for at least 1 per cent of total trade volumes. As a result, our final database comprises 28 sectors and 26 regions (see Table 2).

Table 2: Regional aggregation

Region	Region description
ANZ	Australia and New Zealand
ASL	Asian least-developed country
BRA	Brazil
CAN	Canada
CHN	China
E27	European Union 27
EFT	European Free Trade Association
GBR	United Kingdom
HNT	Hong Kong, China and Chinese Taipei
IDN	Indonesia
IND	India
JPN	Japan
KOR	Republic of Korea
LAC	Latin America
MEX	Mexico
MIN	Middle East and North Africa
OAS	Other Asian countries
ROW	Rest of the world
RUS	Russian Federation
SAU	Saudi Arabia, Kingdom of
SEA	Southeast Asia
SSL	Sub-Saharan African least-developed country
SSO	Sub-Saharan Africa other
TUR	Türkiye
USA	United States
ZAF	South Africa

We conduct four different experiments. First, we look at a scenario where we equalize tariffs across all sectors. This serves as our counterfactual. Given the positive relation between tariff rates and female labour intensity identified in the previous section, such a change would reduce tariffs in female labour-intensive sectors while raising them in male labour-intensive sectors and is hence expected to raise female wages relative to male wages. However, the outcome of this experiment presents unexpected results, as it leads to a widening of the gender wage gap.

Upon further analysis of the counterfactual scenario's results, we identify three key transmission channels for the effects of tariff liberalization upon output in female labour-intensive sectors: an export opportunities channel; a cost of intermediate inputs channel; and an import competition channel. The three channels operate in different directions and can lead to a reduction in output in female labour-intensive sectors in regions where the import competition channel dominates the export opportunities channel.

Bearing in mind these effects, we then attempt to design three more experiments that employ more sophisticated shocks than a simple equalization of tariffs. Scenario 1 includes only a shock to increase export opportunities in female labour-intensive sectors. Scenario 2 adds the reduction of intermediate input costs to the previous scenario and finally Scenario 3 brings all three channels together.

In all three scenarios the change in the *ad valorem* tariff rate in region *j* in sector *s*, Δt_{js}, is proportional to its initial tariff rate, t_{js}, with the factor of proportion a function of a coefficient varying by sector, $coef_{js}$:

$$\Delta t_{js} = -coef_{js} * t_{js}$$

This coefficient varies for each scenario, capturing the different effects described above.

In the first scenario, the coefficient determining the size of the tariff reduction is designed to generate more export opportunities in exporting sectors with a high female labour share. Hence, the coefficient governing the tariff reduction in importing region *j* in region *s* is determined by the share of imports from exporting region *i* and the female labour intensity in exporter *i* in sector *s*.

$$coef_{js} = \sum_{i} imp.share_{ijs} * f_{is}$$

In the second scenario, the intermediate input cost channel is added such that tariffs are reduced not only to promote export opportunities in female labour-intensive sectors but also to reduce the costs of intermediate inputs used in female labour-intensive sectors. A reduced cost of intermediate inputs is expected to raise production and thus demand for labour-force inputs because of the complementarity in production between intermediate inputs and factor inputs such as labour and capital.

We combine the two channels as follows with the coefficient:

$$coef_{js} = \left[\left(\sum_{i} imp.share_{ijs} * f_{is} \right) * \left(\sum_{j} \sum_{t} int.input\ imp.share_{ijst} * f_{jt} \right) \right]^{\frac{1}{2}}$$

In the third scenario, the import competition channel is added. The analysis of the results of the tariff equalization experiment will show that in many regions output is not promoted in the female labour-intensive sectors, because of fiercer import competition. Therefore, we add a third element to the coefficient to prevent that output will fall in female labour-intensive sectors where import competition is fiercer.

Combining the three channels leads to the following expression for the coefficient, $coef_{js}$

$$coef_{js} = \left[\frac{(\Sigma_i \, imp.share_{ijs} {}^{*} f_{is}) \, {}^{*} \, (\Sigma_j \Sigma_t \, int.input \; imp.share_{ijst} {}^{*} f_{jt})}{imp.share_{js}} \right]^{\frac{1}{3}}$$

Using the above-described shocks in the recursive dynamic GTM with a gender disaggregated labour supply, we simulate the impact of such sophisticated reforms on output and female wage shares. We maintain revenue neutrality by keeping the ratio of total tariff revenue to income neutral. Additionally, our model contains an upward sloping labour supply with a supply elasticity of 0.5, which is in line with the empirical literature on labour supply elasticities. We fix the substitution elasticity between male and female labour at 1.6. In the next section, we discuss the impact on output and the gender wage gap emerging from simulating these scenarios.

The negligible impact of tariff reform on the gender wage gap

To analyse the impact on the gender wage gap, we look at the per cent change in the wage premium (WP) of male relative to female workers, such that a negative value of WP implies that female wages increase relative to male wages. To measure the effects on trade, we look at variations in imports and exports by region and sector. We also look at changes in output by sector and region and correlate it with the sectors' female wage shares to identify whether or not the reform succeeds in expanding the sectors that are female labour intensive.

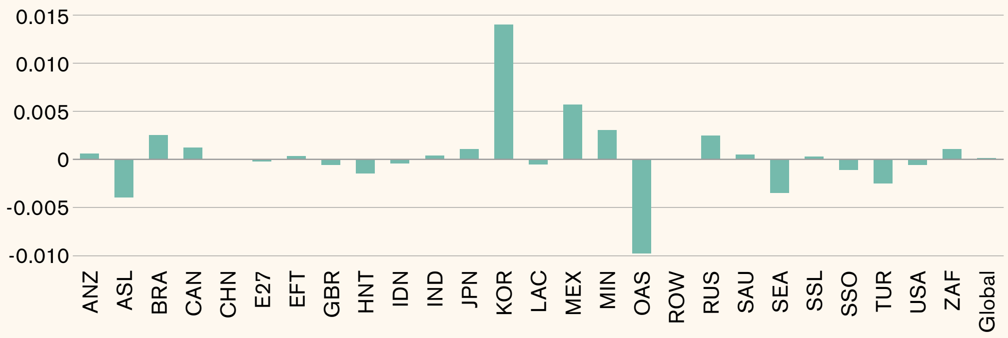
The percentage change in WP is defined as follows:

$$WP = \left(\frac{1 + \frac{pe_m}{100}}{1 + \frac{pe_f}{100}} - 1 \right) * 100$$

where pe_m and pe_f represent the changes in factor prices (i.e. wages) for males and females respectively.

Figure 2 shows the per cent changes in wage premia for the counterfactual scenario. We find that the effects are small in magnitude. The highest change is lower than 0.08 per cent which is marginal compared to the initial level of the wage premium of 27 per cent for skilled workers and 20 per cent for unskilled workers in the GDLD.[7] Only in a few regions, in particular a set of Asian economies and Türkiye, female wages rise relative to male wages. For most other regions, males gain relative to females and the global weighted average is slightly positive at 0.0001 per cent for the scenario with equalized tariffs. The positive global average implies that globally male wages rise relative to female wages. Given the stylized facts in Section 2.1, this posits a puzzle.

Figure 2: Changes in wage premia for counterfactual scenario where we equalize tariff across all sectors



Source: Authors' calculations based on simulations.

Note: See Table 2 for regional descriptions. Global weighted average calculated using total factor prices for labour as weights.

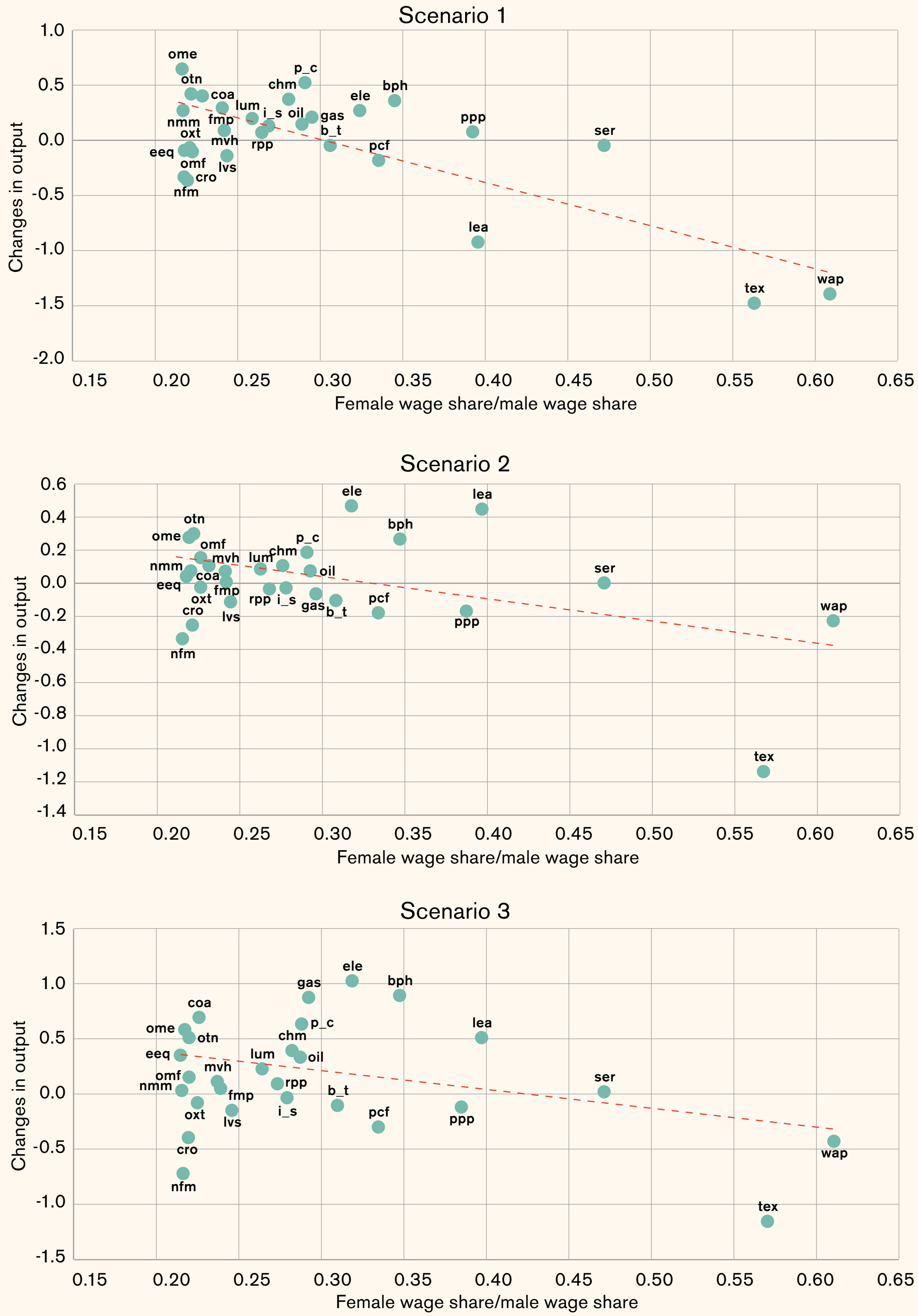
To solve this puzzle, we need to focus on the general equilibrium relations in the global economy between output, trade and production factors. We designed our shock such that sectors which produce intermediate inputs used by female labour-intensive sectors benefit from tariff reductions. This tariff cut should decrease input costs for female labour-intensive sectors and, hence, lead to their expansion.

World Bank Group and WTO (2020) point out that sectors producing inputs used by female labour-intensive sectors tend to be female labour-intensive themselves. As a result, there should be an expansion of female labour-intensive sectors through two channels, as the region exporting the intermediate good would benefit from higher export opportunities. However, a reduced tariff would also increase import competition in the importing region for that particular sector. This channel would then lead to a contraction of a female labour-intensive sector in the importing region. If the effect of this last channel dominates the other two channels on net the tariff reform could benefit male workers instead of female workers. To account for these three effects, we turn to our more sophisticated scenarios.

These more complex shocks move the effects in the right direction. Moreover, we observe that the effects on output help to explain our findings in the counterfactual scenario. Figure 3 shows the relationship between the changes in output and relative female wage shares by sector, for all three scenarios. We find that sectors with high female labour intensity face a reduction in output which presents a puzzle, but explains why the effects on wage premia are marginal and not always in favour of females.

Understanding these output effects requires us to disaggregate them into their different components and examine which regions are driving the result for which sectors. But we can already see that in moving from Scenario 1 to 2 and then 3, the effects get attenuated such that the slope of the trendline falls and the negative relationship between the change in output and female labour intensity of sector is weakened.

Figure 3: Relationship between changes in output and relative female wage shares



Source: Authors' calculations based on simulation results.

Note: See Table 1 for sector descriptions. Relative female wage shares calculated as total female wage to male wage in that sector.

Table 3: Changes in the wage premium for total, skilled and unskilled labour (in per cent, cumulative 2022-2026)

	Total labour	Skilled labour	Unskilled labour
Scenario 1	0.0010	0.0027	-0.0030
Scenario 2	0.0010	0.0013	-0.0001
Scenario 3	-0.0012	-0.0007	-0.0019

Source: Authors' calculations.

Note: Average across regions, weighted by total value shares of factors.

Table 3 displays the projected per cent change in the male wage premium for skilled and unskilled workers combined (WP) and for skilled and unskilled workers separately (WP SK and WP UN, respectively). The table reports a value weighted global average of the projected change in the wage premiums.

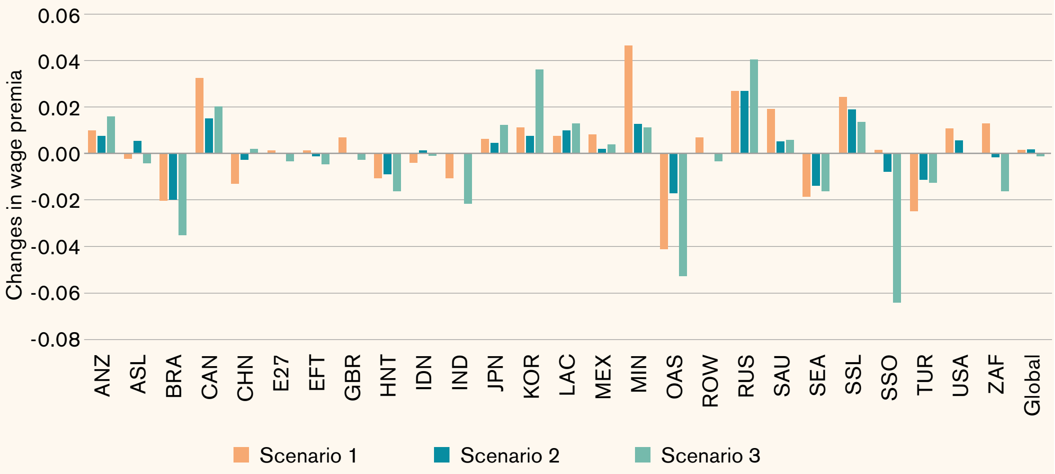
In the first scenario, male wages are projected to rise relative to female wages. The effects are opposite for skilled and unskilled workers with the wage premia changing in favour of females for unskilled labour and in favour of males for skilled labour. This result suggests that reducing tariffs to foster export opportunities of female labour-intensive sectors is not effective, proving that in this scenario the import competition channel dominates globally.

Moving to Scenario 2, tariff reductions are now also focused at reducing the costs of intermediate inputs used by female labour-intensive sectors. We expect this to promote female wages, as the sectors employing more women can expand owing to a lower cost of intermediate inputs. However, Table 3 shows that for Scenario 2 the male wage premia are still increasing for skilled workers, whereas the reduction in the male wage premium becomes smaller compared to Scenario 1.

As explained above, this can be because sectors selling intermediates to more female labour-intensive sectors are themselves also female labour intensive. For example, textile and wearing apparel are female labour-intensive sectors. They use intermediate inputs from the agriculture sector, which is itself female labour intensive. According to the intermediate cost channel, tariffs have to be reduced on agricultural products. However, since agriculture is itself a female labour-intensive sector a reduction in import tariffs in this sector generates more import competition and can thus lead to a reduction in output in the female labour-intensive sector of agriculture in the importing region.

In Scenario 3, we take into account the import competition channel as well. Table 3 shows that for all workers together (skilled and unskilled) female wages increase relative to male wages. Hence, a trade reform that takes all three channels into consideration would reduce the female wage gap. However, the effects of the reform are very small. In Scenario 3, for example, the male wage premium is projected to fall only by 0.0019 per cent, which is very marginal compared to the initial level of the wage premium of 1.27 for skilled workers and 1.2 for unskilled workers.[8] Looking at the percentage change of the male wage premium by region, we find that it falls in the majority of the regions (see Figure 4). For skilled and unskilled workers, female wages rise relative to male wages in India, other Asian countries, Southeast Asia, Sub-Saharan Africa and Türkiye. On the other hand, for countries like Canada, United Kingdom, Republic of Korea, the Middle East and North Africa, the Russian Federation and

Figure 4: Wage premia by region



Source: Authors' calculations based on simulation results

Note: See Table 2 for regional descriptions. Weighted average across sectors with total value shares for factors as weights.

the United States, male wages rise more than female wages. However, for all regions these effects are negligible in magnitude.

The above analysis reveals that even with carefully constructed shocks, we fail to project substantial reductions in the female wage gap in tariff liberalization scenarios in merchandise sectors. Hence, in the next section we explore the potential of services trade and services trade policy reform to contribute to closing the female wage gap.

The gender bias in services trade costs

Stylized facts

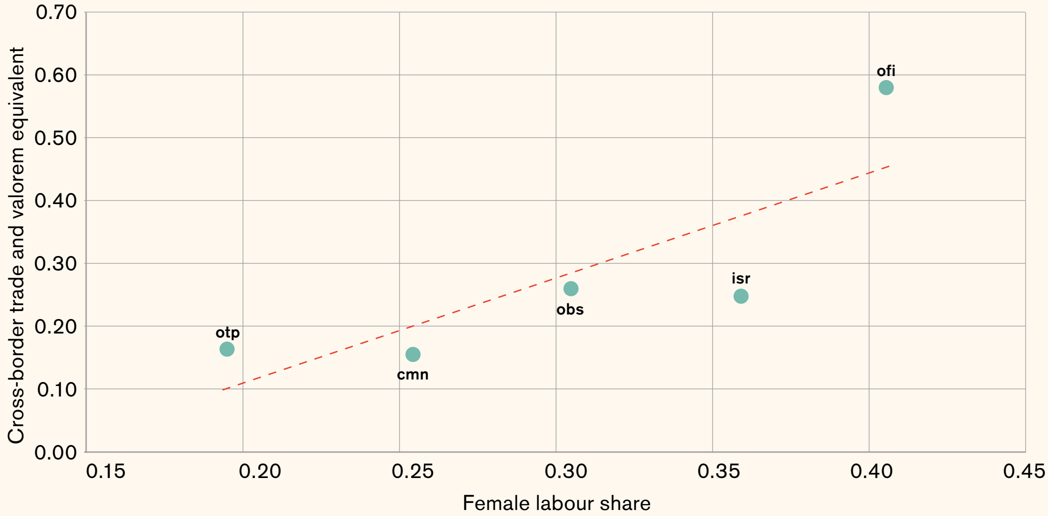
Three stylized facts motivate our work on services trade. First, trade costs are on average larger in female labour-intensive services than in goods. Table 4 shows that inferred trade costs are higher for services than for goods while at the same time services are also more female labour-intensive.[9] This suggests that reducing services trade costs could contribute to reducing the gender wage gap.

Table 4: Trade costs and female labour shares for the four key sectors

	Female labour share	Trade costs
Agriculture	0.21	2.52
Fossil fuel dependent sectors	0.20	2.39
Manufacturing	0.24	1.84
Services	0.28	2.51

Source: Authors' calculations.

Figure 5: Relationship between female shares and *ad valorem* equivalents of non-tariff measures on services trade

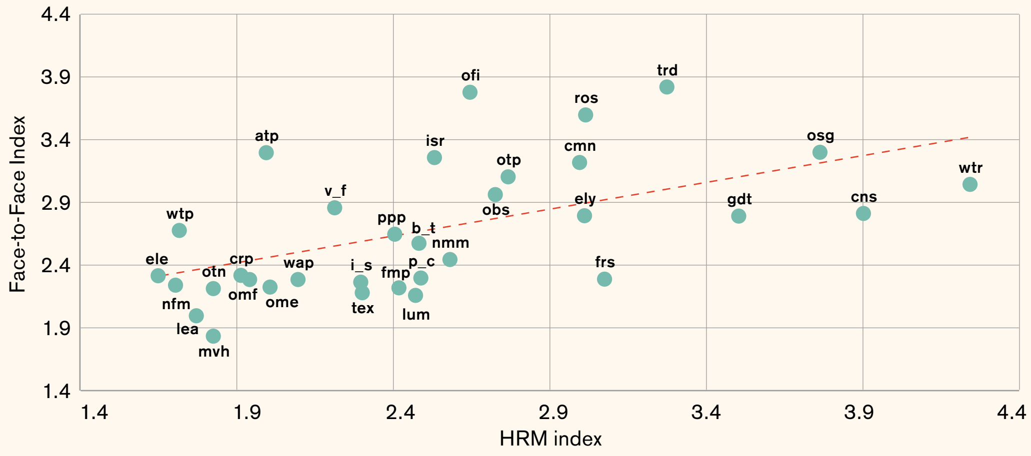


Source: Authors' calculations based on Benz and Jaax's coefficients and STRI data from 2014.

Second, not only are trade costs higher in more female labour-intensive services sectors, but also their policy-related components. Figure 5 displays the correlation between *ad valorem* equivalent trade costs based on Benz and Jaax (2022) estimates using the OECD STRI and female labour intensity. The figure makes clear that policy-related trade costs, as captured by the OECD index, are larger in more female labour-intensive sectors, especially in non-insurance financial services (ofi). This implies that services trade liberalization also has potential within services sectors to reduce the female wage gap.

Third, trade costs associated with the need for face-to-face interaction are larger in female labour-intensive sectors. Figure 6 displays the relation between a task-based face-to-face index and the index of inferred trade costs, showing that trade costs are larger in sectors requiring more face-to-face interaction. Figure 7 displays the relation between the face-to-face index and the female labour intensity, showing that female labour-intensive sectors require on average more face-to-face interaction. This implies that further digitalization of the economy leading to lower trade costs associated with the need for face-to-face interaction has the potential to raise the demand for female workers and thus reduce the female wage gap. This stylized fact is related to services trade because the face-to-face index is larger in services sectors. Controlling for the face-to-face index, there is no longer a significant difference in inferred trade cost between services and goods.

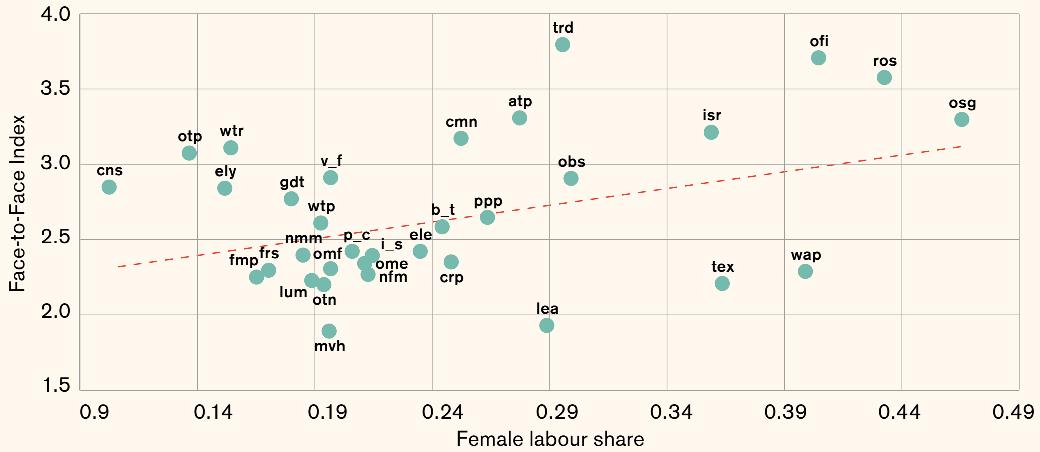
Figure 6: Relationship between inferred trade costs and the Face-to-Face Index



Source: Authors' calculations based on ONET Tasks data v17 and the GTAP v11 database.

Note: See Table 1 for sector descriptions.

Figure 7: Relationship between the Face-to-Face Index and female labour share



Source: Authors' calculations based on ONET Tasks data v17 and GTAP v11 database.

Note: See Table 1 for sector descriptions.

Simulating the effect of lower barriers to services trade

Discussion of simulation design

As we shift our focus to the services sector, we change the sector aggregation in our data by expanding the services sector and reducing the other sectors to "agr", representing key agriculture sectors; "ffl", representing key fossil fuel sectors and other manufacturing sector groups. Our dataset now has a total of 23 sectors (see Table 5).

In the previous subsection on stylized facts, we showed that trade costs inferred from trade flows are higher in services sectors compared to merchandise sectors while at the same time female labour intensity is also higher in services. Additionally, we found that among services subsectors, policy-related trade costs are larger in female labour-intensive subsectors. Finally, we also established that sectors requiring more face-to-face interactions are more female labour intensive.

Table 5: Sectoral aggregation

Sector	Sector description
agr	Agriculture
ffl	Fossil fuel dependent sectors
pcf	Processed food and beverages
otg	Other goods such as textile, apparel, leather, wood products and paper products
pc	Petroleum and coal products
che	Chemical, pharmaceutical, rubber and plastic products
met	Ferrous and other metal products
teq	Manufacture of transport equipment such as motor vehicles, trailers and semi-trailers
ome	Manufacture of machinery and equipment n.e.c.
eeq	Electrical equipment
ele	Manufacture of computer, electronic and optic equipment
utl	Provision of utility services such as electricity, water and gas
cns	Construction services
trd	Trade-related services
ars	Accommodation, food and recreational services
trp	All transport services
whs	Warehousing and related services
cmn	Communication and related services
ofi	Other financial services
ins	Insurance and related services
rsa	Real estate services
bus	Other business-related services
osg	Other services including education, health, dwellings, public administration and defence

This gives rise to two kinds of counterfactual experiments which could contribute to a reduction in the female wage gap. First, a reduction in trade costs over time associated with a reduced need for face-to-face interaction because of accelerated digitalization. This shock is operationalized as a reduction by 50 per cent in trade costs related to the need for face-to-face interaction.[10]

Second, a reduction in non-tariff barriers to services trade. For the latter, we shock trade costs in five specific sectors in which restrictions to services trade are most prominent – ofi (financial services), ins (insurance), trp (transport), bus (business) and cmn (communication).[11] These five sectors were also used by Benz and Jaax (2022) in their analysis of non-tariff measures (NTMs) and services trade. They represent sectors for which the reduction of NTMs appears feasible.

With both scenarios, we expect to see a rise in female wages relative to male wages. Given that the female labour intensity is higher in these sectors than the manufacturing sectors, we also expect the results to be larger in magnitude than those obtained for the manufacturing sectors.

Reducing services trade barriers can lower gender wage gaps

Figure 8 shows the changes in male wage premia for skilled and unskilled workers for the two different scenarios. Globally, the male wage premium is projected to fall by about 0.4 per cent in the digitalization scenario and by about 0.03 per cent in the services trade liberalization scenario. This is much higher in magnitude than for the tariff reform experiments. Between the two scenarios, digitalization has a much larger impact than a reduction in services NTMs. The main reason is that the changes in projected trade costs are much larger.

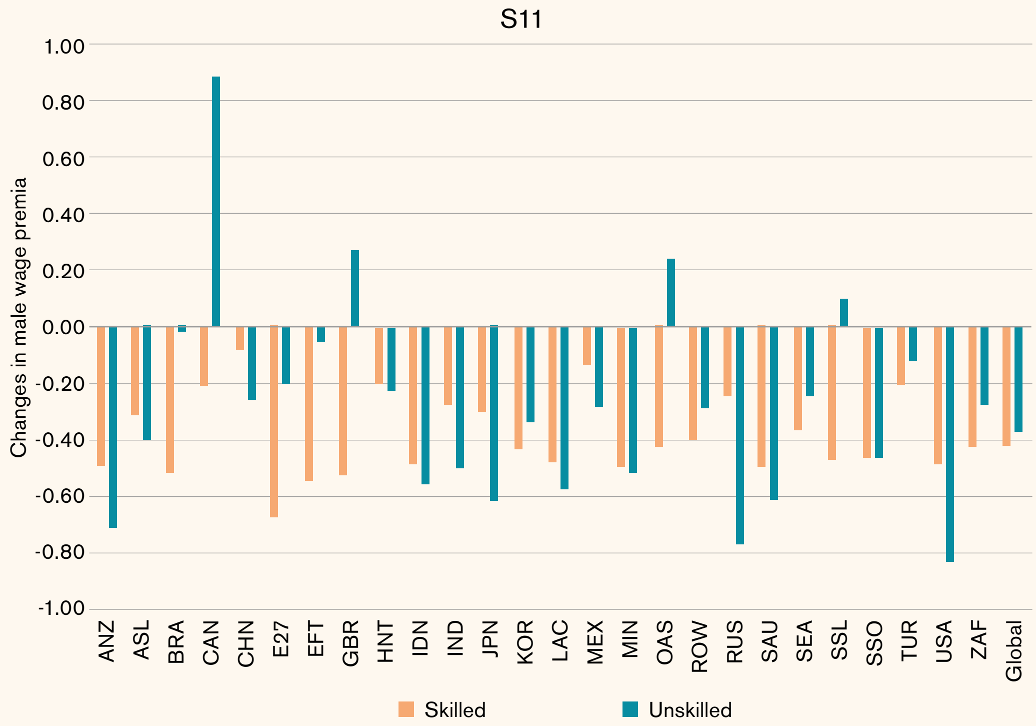
That said, there are some regions where the change is still positive and the male wage premium would go up. For skilled workers, female wages rise relative to male wages in all regions in the first scenario. However, this is not true for unskilled workers. For example, Canada, the United Kingdom and a set of Asian economies display positive changes in unskilled, male wage premia in the first scenario, indicating that unskilled female workers lose in these regions relative to male workers. For the second scenario, we find that skilled female workers lose in terms of relative wages to males in regions like China, India, the Russian Federation and Türkiye, while unskilled female workers lose in the Republic of Korea, South Africa and Türkiye.

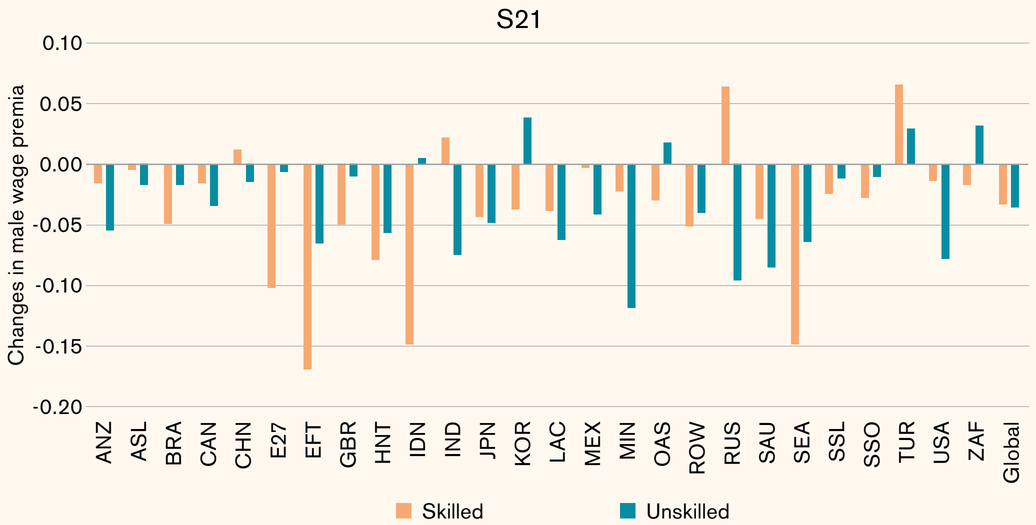
Overall, simulating reform in the services sector has a greater impact on reducing gender disparity in wages than reforming tariffs in merchandise trade. The wage premia effects show a reduction in the gap, or an increase in female relative to male wages by about 0.4 per cent for the digitalization scenario and about 0.03 per cent for the services NTM reductions scenario. Hence, when introducing trade policy reforms with an objective of reducing gender disparity in wages, policies promoting digitalization seem to be most promising, followed by policies reducing non-tariff barriers on services trade.

Conclusion

We began our analysis by first validating stylized facts from the literature which speak of a gender bias in tariff imposition. Our analysis shows that both in the manufacturing and services sectors, female labour-intensive sectors have more barriers to trade in terms of higher tariffs, more face-to-face interaction required and higher NTMs.

Figure 8: Changes in wage premia for skilled and unskilled labour in the digitalization (S11) and services non-tariff measures (S21) scenarios





Source: Authors' calculations based on simulation results

Note: See Table 2 for regional descriptions. Weighted average across sectors with total value shares for factors as weights

With this result in mind, we simulated different tariff shocks for the manufacturing sector and services sector. Additionally, we looked at a scenario where digitalization reduces the requirement of face-to-face interaction over time. We identified four key results. Firstly, simple tariff reform in the manufacturing sector fails to reduce the gender wage gap. Secondly, sophisticated trade reform, taking into account all channels of transmission affecting the wage premia, reduces the gender wage gap, but by an insignificant amount. Thirdly, services trade liberalization in the form of digitalization or reduced face-to-face interaction requirements, reduces the gender wage gap by an amount much higher than other scenarios. Fourthly, a reduction in NTMs in the services trade sector can also reduce the wage gap but by a lesser magnitude than digitalization.

Our results highlight that trade can play an important role in lowering gender gaps. Trade policymakers who aim to reduce gender wage gaps should focus primarily on barriers to services trade when implementing reforms. This is especially relevant, as services trade has been growing faster than goods trade and structural change in favour of services has been a dominant trend globally. This presents a major opportunity to address gender inequality. Countries adopting a services-led development strategy can succeed in reducing gender disparities if they ensure that services can flow freely, and virtually, across borders.

Our results have important implications for ongoing discussions at the WTO on services domestic regulations (SDR) and e-commerce. While the importance of services trade for gender equality has long been known, we present the first results that quantify this relationship and underline the key role of services. These findings can hopefully provide a new impetus to finding solutions in the SDR and e-commerce discussions.

As to tariff reform, our results have been less promising. However, this does not imply that tariffs play no role in gender equality. The current analysis is focused on sectoral differences in trade costs (tariffs and other restrictions) and their relation with sectoral female labour intensity and so the potential of trade policy reform to reduce the female wage gap. However, trade policy reform could also help in general or within sectors along various channels. For example, by promoting exporting by female-owned small and medium-sized enterprises or by fostering demand for female workers through technological change. This should be the focus of future work. Additionally, one can design more complex experiments of liberalizing services trade, especially ones where the process of digitalization interacts with NTM reductions and also extend the model to shock non-tariff barriers in merchandise trade.

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Endnotes

1. See Helpman (2018) for a review.
2. Some studies relying on computable general equilibrium (CGE) models simulate the effects of liberalizing trade with gender disaggregated labour supply but these studies have a regional focus and do not assess tariff reforms based on the female labour intensity of sectors (see e.g. Sinha and Sangeeta, 2001).
3. See, for example, World Bank and WTO (2020) for a selection of countries and Gailes *et al.* (2018) for the United States.
4. ILOSTAT database, January 2021.
5. See https://datatopics.worldbank.org/gdld.
6. A detailed description of the model is provided in Aguiar *et al.* (2019).
7. Global total calculated as weighted average of male to female wage premia for each region and sector
8. Global total calculated as weighted average of male to female wage premia for each region and sector.
9. Inferred trade costs are calculated based on the amount of international trade relative to intranational trade based on the methodology in Head and Ries (2001). Female labour share estimates are based on wage shares.
10. Technically, inferred trade costs are regressed on a measure of face-to-face task intensity and a set of control variables. The fitted value of face-to-face intensity from this regression is reduced by 50 per cent.
11. Technically, the STRI in each country is reduced by 50 per cent towards the level of the region with the lowest services trade restrictiveness, following experiments in Benz and Jaax (2022).

Lived experience of women entrepreneurial exporters in a developing country context

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Abstract

Entrepreneurs operate within a broad ecosystem, which enables them to access different types of support when needed – from financial and logistical to emotional. The ability to tap into available resources in an entrepreneurial ecosystem is particularly important for those embarking on an internationalization strategy, such as exporting, given its many complexities. However, many women entrepreneurs, both aspiring and active exporters, feel discriminated against by government and private-sector actors in the ecosystem, which constrains their internationalization efforts.

This chapter reports on a qualitative study conducted among a group of women entrepreneurs based in South Africa who were asked to share their export-related experiences in personal interviews. Among the findings were that the women entrepreneurial exporters (or aspiring exporters) were proactive and committed to achieving export success. Yet they admitted to facing gender-based obstacles in their dealings with officialdom and various service providers. Interestingly, a "shadow" entrepreneurial export ecosystem has begun to emerge, which resonates with women entrepreneurs who see value in building multiple, interlinking networks of peers and service providers, rather than relying on "official" government channels only. Policymakers should do more to address the specific needs of women entrepreneurial exporters, thereby creating a more diverse exporter community, while also helping to dismantle gender-based stereotypes in society.

Introduction

Entrepreneurs, when starting out and growing their businesses, do so in a particular context, which is essentially an entrepreneurial ecosystem. An entrepreneurial ecosystem can be defined as "a set of interdependent actors and factors coordinated in such a way that they enable productive entrepreneurship" (Stam, 2015). This implies that entrepreneurs do not operate in isolation but are part of a social network of stakeholders with reciprocal ties (Neumeyer *et al.*, 2019). This social capital perspective is particularly relevant when studying women entrepreneurs, as they are seen as socially embedded agents who utilize resources, including financial resources, social support and knowledge to grow their businesses (Burt, 1992).

However, the concept of an entrepreneurial ecosystem has been criticized for making the gender-blind assumption that all entrepreneurs have equal access to resources, participation opportunities and support (Brush *et al.*, 2019; Grandy and Culham, 2022; McAdam *et al.*, 2019). In fact, Brush *et al.* (2019) provide evidence that women entrepreneurs' access to resources and participation opportunities differ from those of men. They conclude that "when it comes to many aspects of the entrepreneurship ecosystem, women are at a disadvantage" (Brush *et al*., 2019). This then raises the question: how should women entrepreneurs navigate the entrepreneurial ecosystem, given its many obstacles?

Apart from entrepreneurial ecosystems themselves overlooking the gender perspective, the literature on entrepreneurial ecosystems has only recently started to adopt an international perspective. For example, Velt *et al.* (2018) studied the entrepreneurial ecosystems of "born globals" in Estonia, while Theodoraki and Catanzaro (2022) developed an internationalization ecosystem framework based on their study of French internationalization support initiatives. We argue that adopting an international perspective for entrepreneurial ecosystems is especially important when expanding beyond national borders, as exporters will encounter complex export regulations and procedures, different cultures and foreign networks (Aparicio *et al*., 2021). The challenges associated with these interactions are felt more acutely by exporting entrepreneurs who, with their typically limited resources and capacity, are at a disadvantage relative to large firms (Paul *et al*., 2017). In this regard, Rosenbaum (2019) states that exporting for entrepreneurs requires "greater financial outlays, external network resources to gain export-related knowledge and mitigate risk, and managerial experience". However, once entrepreneurs are able to export successfully, their efforts will pay off (Hessels and Van Stel, 2011).

The authors are interested in how exporters navigate what we call the "entrepreneurial export ecosystem" to acquire export-related knowledge and skills and take advantage of business opportunities. More specifically, the authors are interested in how women entrepreneurial exporters are able to balance the demands of being entrepreneurs with those of being women.

In a recent policy review, the World Bank and WTO (2020) confirm that women face more obstacles in their internationalization efforts than men, which has resulted in lower participation rates among women entrepreneurs in cross-border trading (World Bank, 2021). Rosenbaum (2019) argues that the gender-related challenges that women face at the domestic level are simply compounded when they engage in exporting. For example, not only must women balance family responsibilities with running businesses, but exporting has added procedural, regulatory and financial complexities. In addition, women entrepreneurs often face the problem of not being taken seriously and being the target of sexist attitudes (Orser *et al*., 2004). Moreover, they are less likely than men to secure financial capital from formal external sources like venture capitalists (Terjesen *et al*., 2016).

The World Bank (2021) asserts that among the challenges that women entrepreneurial exporters face are a "lack of information and knowledge of cross-border regulations and procedures, lack of physical security at border crossings, exposure to harassment and gender-based violence at borders, and corruption". An in-depth analysis of each challenge revealed that South African women traders (45 per cent) find it more difficult to access information than men traders (34 per cent) because government information retrieval systems are not user-friendly.

Given this concerning evidence, there is clearly a need for an in-depth investigation into women's experiences in international trade (World Bank, 2021), particularly as

> On average, women represent only one in every three entrepreneurs that have more than 25 per cent of their customer base beyond their borders.

more women entrepreneurs are looking to internationalize (export) in the early phase of their business development process (Orser *et al*., 2004; Ratten and Tajeddini, 2018). A recent review of the literature on women entrepreneurship and internationalization (Moreira *et al*., 2019) revealed that, while scholarship in this domain is growing, there is still much to be learned. In addition, Ratten and Tajeddini (2018) warn that "current research about internationalization might have a gender bias that assumes a male perspective without taking into account women entrepreneurs". Looking through a gender lens, Brush *et al.* (2009) and Welter (2020) expose the structural and cultural difficulties that women entrepreneurs face in an international trade context. Rates of internationalization among women entrepreneurs have been shown to differ, depending on their cultural persuasion. In developing countries, for example, women have been constrained by social stereotypes, but enabled by social networks (Moreira *et al*., 2019). Indeed, the Global Entrepreneurship Monitor's (GEM) 2021/22 *Women's Entrepreneurship Report* illustrates that women entrepreneurs are 24 per cent more likely to focus on their domestic markets than international markets compared to their male counterparts. The report shows that on average, women represent only one in every three entrepreneurs that have more than 25 per cent of their customer base beyond their borders. This, however, varies by country income level, as more entrepreneurs (43.7 per cent) from upper-middle-income countries are export-oriented than those from low-income countries (31.4 per cent). The report notes that regionally, the differences "vary even more". For example, 21.1 per cent of export intensive entrepreneurs in Central and East Asia are women compared to 45.8 per cent in Latin America and the Caribbean (GEM, 2022).

Women make up 41 per cent of "total entrepreneurial activity" in South Africa (Bowmaker-Falconer and Herrington, 2020), and the ratio of female to male entrepreneurial activity has recently achieved a relatively high level of 0.861. However, the South African entrepreneurial ecosystem does not compare well to the rest of the world, with South Africa ranking 39 out of 50 countries for sufficiency of financing and 46 out of 50 for ease of access to financing (Bowmaker-Falconer and Meyer, 2022). For women entrepreneurs particularly, support services are considered by expert ratings to be well below global averages, that is, 3.78 compared to 4.32 (Bowmaker-Falconer and Meyer, 2022).

The study presented in this chapter responds to the need for more in-depth research on women's entrepreneurship, which holds considerable potential but is insufficiently understood. We not only adopt a gendered perspective of entrepreneurial ecosystems, but do so from an international perspective, thereby contributing to the sparse literature on international entrepreneurship ecosystems in general and providing new insights on women's internationalization efforts.

Entrepreneurial ecosystems in an international context

Building on other scholars' conceptualizations of entrepreneurial ecosystems, including Isenberg (2010) and Neck *et al.* (2004), Stam (2015) synthesize various insights to develop a new holistic model. Stam's model (2015) views the entrepreneur as the focal point and creator of the ecosystem (Velt *et al.*, 2018). Indeed, Stam (2015) emphasizes that "entrepreneurs (being visible and connected) are considered to be the heart of a successful ecosystem". Leendertse *et al.* (2022) recently defined an entrepreneurial ecosystem as one that "comprises a set of interdependent actors and factors that are governed in such a way that they enable productive entrepreneurship within a particular territory".

Stam and Van de Ven (2021), in turn, propose an integrative model of entrepreneurial ecosystems consisting of ten elements and entrepreneurial outputs. The ten elements are operational constructs of the broader concepts of institutions and resources in an entrepreneurial ecosystem. Productive entrepreneurship, or new value creation, is perceived to be the output of the entrepreneurial ecosystem.

The first two elements are formal institutions and informal institutions, which reflect the "rules of the game" in society (North, 1990). While the rights and obligations of formal institutions are embedded in laws and regulations, such as property rights and bank lending policies, informal institutions reflect intangible norms and values that shape the cultural context in which entrepreneurship is practised in a society (Lee *et al.*, 2016; Stam and Van de Ven, 2021). In their interactions with these institutions, women may be treated differently from men. For example, women entrepreneurship tends to be more prevalent in societies that are more tolerant of women's involvement in economic activities outside the home (Lee *et al.*, 2016). In the case of exporting, this would include women working irregular hours and engaging in foreign business travel (Lee *et al.*, 2016; World Bank and WTO, 2020).

The third element is networks of entrepreneurs and their businesses. These networks facilitate flows of information and knowledge, labour and capital. The network nodes represent the actors, which could be individuals or organizations (Velt *et al.,* 2018). Spence *et al.* (2011) attach importance to "social capital", since social networks act as communication channels that facilitate the acquisition of experiential knowledge. Catanzaro *et al.* (2019) state that "building contacts with foreign markets and key actors through participation in international trade shows and events or prospecting missions" is important for exporters to develop networks. Where women entrepreneurial exporters lack access to existing international networks, they need to rely on their personal networks. Yet the World Bank and WTO (2020) aver that women have limited access to professional and social networks that could support their export endeavours. Women's networks tend to comprise other women, which inherently limits their exposure to international contacts. This is because women tend to prioritize (because of time constraints) existing family relationships over a desire to forge new business relationships.

The fourth element is physical infrastructure. Van Eldik and Viviers (2005), in assessing the export readiness of a selection of South African businesses, emphasize the importance of sufficient production capacity to meet export demand. More broadly, too, a conducive business environment is critical if production is to increase.

The fifth element is demand (Stam and Van de Ven, 2021), which is the ability of buyers to purchase goods offered. Export promotion agencies play an important role in helping entrepreneurs to grow their businesses internationally through the identification of potential export markets with a growing demand for their products. This can be done efficiently through the application of the Decision Support Model, a market selection tool (see Steenkamp *et al.*, 2012). Rosenbaum (2019) points out, though, that women entrepreneurs need support in the form of subsidized programmes to improve their prospects of business success, both domestically and internationally.

The sixth element is leadership. Sui *et al.* (2022) are of the view that fewer women than men venture into foreign markets because they tend to be more risk-averse than men. However, Welch *et al.* (2008), in interviewing 20 Australian women exporters, found that these women had a positive attitude towards exporting and saw it "as a life-changing experience that allowed the women to grow personally as well as grow the business and succeed as exporters". Interestingly, Terjesen and Elam (2012) point out that women entrepreneurs tend to be more motivated by social goals than generating a profit.

The seventh element is human capital, more broadly defined as talent for productive entrepreneurship, which includes the "skills, knowledge and experience possessed by individuals" (Velt *et al.*, 2018). The World Bank and WTO (2021), reporting on the results of several surveys that they conducted on gender-based discrimination faced by women entrepreneurs, indicate that women are often perceived as "less able to work under pressure or on a team, lack up-to-date knowledge and skills, lack innovative attitudes, exhibit more risk aversion in seeking finance, have less time for learning and networking, or have less physical strength". These misconceptions diminish women entrepreneurs' credibility, which in turn negatively impacts "their ability to raise start-up funds, attract clients or business partners, and ultimately export".

The eighth element is finance, which is an important condition for the growth and continued survival of small businesses (Velt *et al.*, 2018). Funding support enables SME exporters (who invariably have limited financial resources) to develop the necessary capacity to grasp available export opportunities (Catanzaro *et al.*, 2019). Women entrepreneurs, among whom there is a high demand for export financing, find it difficult to access such finance. They experience higher rejection rates than their male counterparts and consequently are more likely to seek alternative sources of funding (World Bank and WTO, 2020). According to Rosenbaum (2019), women tend to fund their businesses themselves, which can be a serious constraint to growth.

> Export promotion agencies play an important role in helping entrepreneurs to grow their businesses internationally through the identification of potential export markets with a growing demand for their products.

The ninth element is knowledge, which is necessary if entrepreneurial opportunities are to be recognized and acted upon. When internationalizing, entrepreneurs require a great deal of information on export processes, procedures and regulations, which is typically available from government export promotion agencies. Lederman *et al.* (2010) list various types of information-based support services, such as exporter training, technical assistance and guidance with regulatory compliance. A recent study conducted by the World Bank (2021) on cross-border traders in South Africa revealed that official information on export regulations and procedures is often scarce and/or difficult to access. This problem is felt more acutely by women traders than by male traders. As a result, women rely more heavily on personal networks and service providers such as customs agents for information than men. Ultimately, women would benefit from tailor-made assistance, as it would enable them not only to enter foreign markets (Rosenbaum, 2019) but also to subsequently "build muscle", enabling them to diversify their export markets and generate better returns (Nguyen *et al.*, 2022).

The tenth element is intermediate (support) services, which can remove many obstacles and quicken the pace of new value creation (Velt *et al.*, 2018). Central to entrepreneurial ecosystems are the various public and private actors, such as government entities and venture-oriented professionals (bankers, venture capitalists, lawyers, consultants and accountants) who can help entrepreneurs grow their businesses (Kansheba and Wald, 2020). In an exporting context, freight forwarders, customs brokers, inspectors and other intermediaries play an important role in trade facilitation, using their networks in different parts of the world (World Bank, 2021).

Research design and methods

This study adopted a qualitative, narrative research design to better understand the lived experiences of women entrepreneurial exporters in the South African context. We considered this research design, which is becoming increasingly popular in entrepreneurship research (Singh *et al.*, 2015), to be particularly appropriate for two reasons: first, it would contribute new insights to a research domain that is currently dominated by large-scale, quantitative studies of phenomena; second, it would enable us to arrive at a deeper understanding of the experiences (Andrews *et al.*, 2013) of individual women entrepreneurs. Narrative data gave us insights into the way in which participants extracted meaning from events that occurred over time. In other words, they revealed the connection between the women entrepreneurs' agency and the broader context in which they lived and worked.

“Central to entrepreneurial ecosystems are the various public and private actors, such as government entities and venture-oriented professionals (bankers, venture capitalists, lawyers, consultants and accountants) who can help entrepreneurs grow their businesses.

The sample comprised 19 women founders of businesses that were already trading internationally or were preparing to do so. The authors adopted a criterion sampling strategy to ensure that we interviewed women entrepreneurs who: were in established businesses (defined as operating for more than 42 months); had begun to trade internationally; traded with more than one customer or destination country; operated in a cross-section of industry sectors; and were based in South Africa.

South Africa suffers from a relatively low rate of entrepreneurial start-ups at 10.5 per cent of the population (compared to 11.3 per cent in other similar economies) and at 13.9 per cent of the adult population discontinuing business activity, a relatively high rate of entrepreneurial failures, compared to 9.8 per cent in other similar economies (Bowmaker-Falconer and Meyer, 2022). The World Bank ranks South Africa 84th overall on its Doing Business Index and 145th on the "Trading across borders" dimension, which highlights the real or perceived difficulties (in terms of time, cost and capacity) associated with exporting from South Africa (World Bank, 2020).

The participants in the study were sourced through the alumni network of a Johannesburg-based business school and through various other business and industry-based associations. Some participants referred us to other potential participants. Data were collected by interviewing participants individually via online platforms, thereby minimizing disruptions and ensuring that the sample had a national footprint. Each interview lasted between 45 and 60 minutes and was recorded and transcribed in preparation for later analysis. Data were analysed using the conventional content analysis method (Hsieh and Shannon, 2005), which involved a system of so-called first and second-cycle coding (Gioia *et al*., 2013) to identify notable patterns and themes in the data. Individual narratives were constructed and compared with other narratives to arrive at the findings.

Findings

The study's findings centred on the women participants' narratives about the entrepreneurial export ecosystem. They shared their collective insights on their interactions with the ecosystem, both as creators and users. The analysis of their reflections generated a number of themes, which highlighted both the challenges and the enablers of their entrepreneurial export activities.

Women entrepreneurial exporters' agency

There were several similarities in the ways the women entrepreneurial exporters described themselves. These personal characteristics appear to have emerged or been developed over time and through experience to cope with the complexities of dealing with three major challenges: being a woman in business; starting and running an entrepreneurial enterprise; and engaging in exporting. The women developed several strategies for confronting discrimination in the form of "being undermined" (Interview 7) and "not being taken seriously" (Interview 16). Among their strategies were "to be tough" (Interview 1), or "to fight", "to work harder" or "to develop your negotiation skills" (Interview 12). Not surprisingly, perhaps, the women described themselves as "go-getters", "determined" and "tough" (Interview 19), often linking these characteristics to the need for self-confidence and a desire to "make things happen" (Interview 15).

Almost all the participants interviewed displayed high levels of energy and commitment. Interestingly, some participants reported that their ability to persevere and overcome challenges, such as “corruption” (Interview 8) and “discrimination” (Interview 7), was fuelled by their passion for the businesses they had founded. Several participants attributed this passion to a love for the country (Interview 12), their industry (Interview 1) or their product (Interview 3). Others attributed it to the positive social or environmental impact that their businesses were having or could potentially have (Interview 15). While these entrepreneurs made and shipped products to foreign markets, they were primarily concerned with value creation in the communities in which they operated. Several participants indicated that women played a key role in social value creation (Interview 4).

Given their passion and energy, it is not surprising that the entrepreneurs in this study were highly proactive and agentic in accessing and growing export markets. Although in some instances the exporting idea came from a government agency, in most cases participants reported being drawn to export markets either because they wished their businesses to make an impact, such as “saving lives” (Interview 13), or because of the scale of the opportunity presented by export markets. However, participants reported that executing an export strategy “takes time, it does not happen overnight”. They said that entering the export domain takes two to three years of preparation and planning (simply to get to grips with the complexities of the task and to develop the necessary relationships) “before you get your first order. It’s a lot of push and pull, it’s a lot of effort” (Interview 16). The challenges associated with the process mean “you need to look deep and know deep” (Interview 10).

Invisible support for entrepreneurial exporters

The interview data showed that official (government) support for international traders in South Africa is “invisible” to most potential users of such services. The majority of participants were not aware of an export ecosystem comprising different actors, although they had heard, from others in their networks, that the government offered various types of export assistance.

> “Then I found out through different channels that there were people like Trade and Industry, SEDA [Small Exporter Development Programme] that could assist you to learn about the export space” (Interview 6).

Some of the support services that the government, as part of the export ecosystem, offers are hosting of exhibitions, facilitation of foreign market access, and funding. While the participants were broadly aware of these services, they felt that they need to be more integrated. Another problem is that the specific services offered by government agencies differ from one province to the next:

> “Everybody’s doing their own thing and I understand they’ve all got their mandates, but there needs to be a more cohesive coordinating role” (Interview 19).

Resources for entrepreneurial exporters

During the course of the interviews, the participants shared their views on what they considered to be essential resources for business success and how readily available such resources were.

“ Funding was cited as a particularly worrying factor when it came to exporting, because “to go onto that arena we certainly do need a lot of financial backing up”.

Export marketing assistance

Participants perceived export marketing-related assistance from government agencies to be absent or at least inadequate because employees in government agencies “don’t have the expertise” (Interview 1) or “have long turnaround times” (Interview 17). A few participants noted that it was necessary to be very persistent with government agencies to get the information required and “to push a lot” (Interview 16).

Export funding

Most of the participants had not sought external funding. Instead, they had started their businesses “literally from my own pocket” (Interview 12) or had received funding from clients (Interview 1). One or two had been able to access grants or had won entrepreneurship competitions (Interview 9). By the time they felt ready to export, however, some participants were beginning to feel a strong need for external funding (Interview 7). The cashflow needed to finance export sales and the working capital needed to expand production capacity made external funding attractive. Nevertheless, most of the women entrepreneurs interviewed expressed a preference for growing organically (Interview 8).

Funding was cited as a particularly worrying factor when it came to exporting, because “to go onto that arena we certainly do need a lot of financial backing up” (Interview 17). The participants tended to be aware of the export funding options available, but those who had applied for funding were invariably unsuccessful. For example, one respondent, describing her attempts to apply for funding, said “you get declined all the time” (Interview 1). In some cases, applicants “had no collateral” (Interview 9), it was “too expensive” (Interview 4) or the process lacked transparency (Interview 8). Others had simply not applied, in the expectation that either the decision-making process would take too long or would deliver an unfavourable outcome.

Conducive infrastructure

Another reported challenge was acquiring the necessary infrastructure to ensure the success of their entrepreneurial ventures. The women entrepreneurs in the study, especially those in manufacturing, often started their businesses in their garage or kitchen. However, as the international demand for their products grew, they had to look for larger premises for manufacturing and storage purposes (Interview 9), and in some cases source machinery from abroad (Interview 18). An acute infrastructure challenge is “load shedding”. This refers to regular, planned power interruptions instituted by South Africa’s electricity supplier when the electricity demand in the country exceeds the supply, which means that the pressure on the national grid needs to be reduced. Load shedding represents a serious obstacle to small business efficiency in the country (Interview 1).

Intermediate services

The participants discussed the role of intermediate service providers in the exporting ecosystem. These included customs clearance agents, freight forwarders, local governmental agencies, embassies, trade/exhibition organizers, mentors and business advisors. While intermediate service providers can be valuable to exporting businesses, there are still challenges. Some of the participants spoke about being subjected to gender-based discrimination and extortion attempts by customs officials (Interview 8). Because of this, women often opt to use the services of private-sector agencies and freight forwarders or knowledgeable business partners to handle the clearance and dispatch of their goods internationally.

Digital platforms

A good website was considered essential, and some participants also relied heavily on social media for marketing purposes, with some respondents saying that “the first thing they (potential international buyers) ask you, please send us your social media handles” (Interview 2). Others attributed the reason for embarking on the export journey to queries from international buyers via social media, commenting, “that was how my desire was ignited. I started doing research about how we can do it” (interview 7). Others noted that social media had “helped us to penetrate the Middle East market. It was LinkedIn” (interview 10) experimenting with different platforms to find the most cost-effective “I started advertising on Facebook and that was the beginning of the spiral up” (Interview 20).

Access to information on export activities

Following their decision to venture into exports, most participants mentioned the need to “do your research”, which involved researching different markets, “especially the culture of the country” (Interview 6), understanding their value chain structure and preferences “because each country is different” (Interview 14), and “understanding the competition internationally” (Interview 4). The entrepreneurs themselves conducted this research, which often revealed the need for product adaptations to satisfy market requirements. In many cases, various accreditations, such as the International Organization for Standardization, were also required, which called for consultations with experts (Interviews 6 and 19) or “a host of mentors” (Interview 3). Another mentioned activity was the registration of intellectual property rights (such as a trademark) in South Africa and the export destination country (Interview 12). Securing the necessary certifications was reportedly very onerous, with the entrepreneurs having to be “extremely, extremely careful that you are ticking every box” (Interview 16).

Some participants said they had learned the hard way, through experience. Others said they had attended short courses offered by government agencies, but had found them to be unhelpful and lacking in depth and detail (signalling inadequate knowledge on the part of the presenters).

“A good website was considered essential, and some participants also relied heavily on social media for marketing purposes.

Building of networks

Most of the participants said that they had quickly learnt that establishing and maintaining relationships was essential for export success. Exhibitions and trade fairs hosted by and paid for by government agencies, embassies and consulates were regarded as especially valuable because they "open doors" (Interview 4). However, they are expensive to attend (Interview 15), despite the government providing financial assistance (Interview 15). Of course, initiating introductions and accessing opportunities is only part of the story. "It's how you build the relationship" (Interview 4) that matters, which needs to be managed over time because "people buy from people, you know; it's all about the relationship" (Interview 12).

Many of the women entrepreneurs interviewed reported that they were members of various networking groups established by local development organizations and chambers of commerce, among other entities. Participants indicated that they greatly valued the personal and business support services provided to these networking groups, as they offered a point of contact with other women entrepreneurial exporters, from whom they could learn a great deal (Interview 17), while also being a source of business advice, export market opportunities (Interview 3) and emotional support (Interview 6), especially if they were treated in a discriminatory manner.

Access to market opportunities

While government agencies opened doors to networks and international business opportunities, the women entrepreneurs acknowledged that they had to explore the opportunities on their own, doing their own secondary research, attending exhibitions and personally visiting markets. Participants said that they constantly checked global trends in different sectors as well as the challenges that ordinary citizens in other countries face. For example, one respondent said that she would like to replicate her exporting model "into India, South America, China, wherever people are poor, and there's malnourishment" (Interview 15).

In the pursuit of export opportunities, the choice of country and product may be influenced by the competition in the foreign market (Interview 4), the host country's interest in the export product (Interviews 5 and 9) and the financial and operational risks in the market (Interview 8). The general consensus among the participants was that identifying and retaining international clients is very challenging.

Institutional shortcomings

The quality of institutions in South Africa and foreign markets has a significant influence on export motivation and success among entrepreneurs. One of the participants mentioned that the South African government is doing more to support women entrepreneurs (Interview 20). However, the relatively weak institutional environment in the country makes women exporters vulnerable to various forms of business misconduct, such as corruption and discrimination.

> "That's why you just walk away and say, you know what, it's fine, let me leave it; I will deal with this project on a small scale. Then you have somebody who is honest and transparent and says to you, look here, we want your product; we want your product" (Interview 8).

In addition to understanding the local context, participants mentioned that they had to become familiar with the institutional environment of the export destination countries, including their industry regulations and trade policies.

The entrepreneurial export ecosystem

The study's findings revealed that women entrepreneurs who engage in exporting are highly agentic and proactive in preparing themselves and their businesses for international success. They are resilient and optimistic (perhaps because of the passion they have for their business and product) and exhibit high levels of individual leadership, as evidenced in their grit and determination as well as their willingness to tackle many export-related challenges head on. These attributes are key features of an entrepreneurial export sub-culture, which must be sustained if its members are to overcome the barriers to export that they routinely encounter.

As revealed in the study, exporting – especially for women entrepreneurs in the South African context – is not for the faint-hearted. Once they have decided to venture into exporting and have done some initial research, women entrepreneurs may reach out to mentors or peers in their existing networks for advice and guidance, but their input is seldom sufficient; other sources of information and assistance are required, with a key priority being to establish the likelihood and nature of demand in various export markets.

What should be important sources of information on export market opportunities, procedures and regulations are government export promotion agencies. However, they are often "invisible" to entrepreneurs if the latter are not targets of government communication campaigns. Although the government organizes and subsidizes trade shows and missions in foreign markets, participants' costs are not fully covered, making the whole exercise expensive for entrepreneurs. Furthermore, such events serve only as an introduction to potential foreign markets, agents and/or buyers; entrepreneurs themselves are responsible for their own marketing activities and contractual undertakings if market opportunities translate into actual business dealings. Although export finance is available in many quarters, the women entrepreneurs in this study found that they were discriminated against – for being small, for being women, or both. Women entrepreneurs often use their own funds to start up an export venture, which can ultimately slow their progress and limit the scale of the venture.

Another problem that entrepreneurial exporters face is institutional shortcomings, particularly in the public sector, which discourage some entrepreneurs from going into exporting in the first place or, if already active internationally, from taking steps to expand their export operation. Yet many women entrepreneurs remain committed to forging ahead, despite the many challenges, using their own initiative and experience as their training ground and nurturing relationships with other women entrepreneurs involved in exporting.

Against the backdrop of a challenging "mainstream" export ecosystem, a shadow entrepreneurial export ecosystem has begun to emerge – one that caters to the needs of women entrepreneur, in particular, who feel marginalized in the formal institutional environment and have built alternative networks which they leverage to find out about export markets and market opportunities, to understand export procedures and regulations, and to source export support services. This export ecosystem for entrepreneurs offers solutions where there were previously constraints.

This shadow entrepreneurial export ecosystem is displayed in Figure 1. It is underpinned by five elements.

First, the entrepreneur plays the central role in identifying multiple actors in the export ecosystem and framing how it should function. In their conceptual analysis of the entrepreneurial ecosystem in Africa, Sheriff and Muffatto (2015) assert that a bottom-up approach is needed, where the ecosystem is "created for" and is "used by" entrepreneurs. Other scholars concur, saying that entrepreneurs are both the users and creators of the ecosystem (Spigel and Harrison, 2018; Stam, 2015) and that their very presence gives the ecosystem legitimacy (Thomas and Ritala, 2022).

Second, there is a strong focus on creating abundant market opportunities. This is mainly achieved through energetic networking with a wide range of peers and intermediaries in the export value chain. Women entrepreneurs need to devote considerable time and energy to networking so that they can overcome traditional, gender-based constraints to market access and assume control over their own export momentum and success, which in turn will be an important source of affirmation for them.

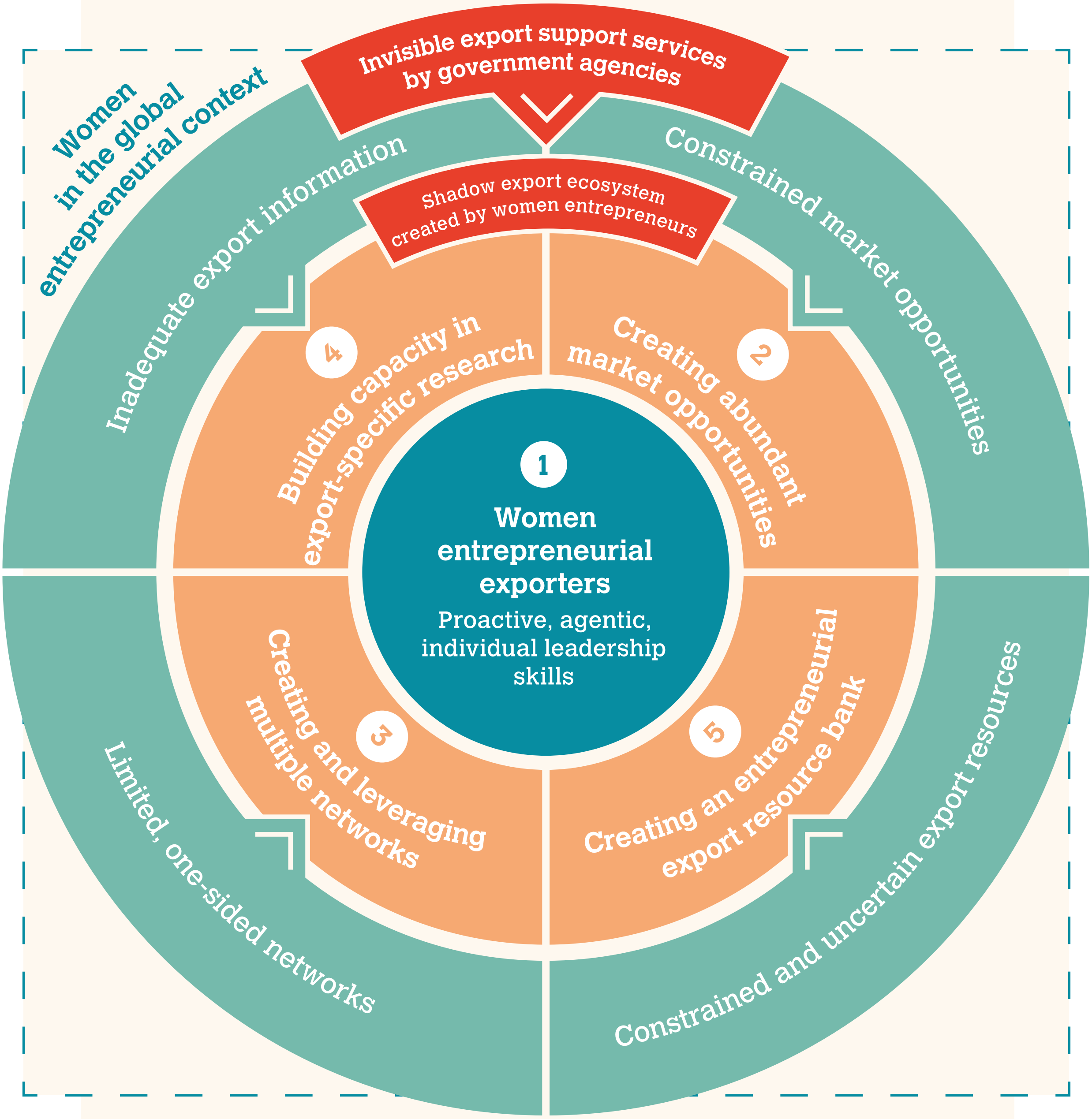
Third, it is important for entrepreneurs to collectively build and leverage multiple networked relationships, rather than rely on the one-sided networks created by the government. This approach will unleash greater volumes of information and practical assistance in the areas of market identification and development, export financing, certification and logistics, among others.

Fourth, the expanded or multiple network approach allows more resources to be channelled into export-specific research, with the assistance of others in the entrepreneurial ecosystem. In time, this will help to build capacity among entrepreneurs, which should enhance their export efforts and results.

Fifth, as government entities in the "mainstream" export ecosystem are under-resourced, the shadow ecosystem helps to overcome these resource constraints by creating its own resource bank for entrepreneurial exporters, affording them access to intermediate service providers offering export financing, marketing and logistics assistance, business consulting, training, digital support and even emotional support.

> "Women entrepreneurs need to devote considerable time and energy to networking so that they can overcome traditional, gender-based constraints to market access and assume control over their own export momentum and success.

Figure 1: Entrepreneurial export ecosystem



Source: Authors' own compilation.

Conclusion and policy recommendations

This study offers important insights on the status of women entrepreneurial exporters in South Africa and their place in the overall export ecosystem. As such, it contributes to the body of knowledge on entrepreneurship in exporting, with specific reference to the challenges that women entrepreneurs face when attempting to tap the resources available in the export ecosystem. The study also provides a number of policy recommendations, based on the underlying study's findings.

First, from an academic perspective, this study addressed a significant research gap, which is how the export ecosystem shapes women entrepreneurs' export experiences and influences their ultimate success. By recording and reporting on the lived experiences of women entrepreneurial exporters, which they shared in personal interviews, the study has laid the foundation for the development of new theories in support of a more gendered approach to the design of export support measures for entrepreneurs (Brush *et al.*, 2009, 2019).

Second, the existing literature on international business and entrepreneurship focuses mainly on quantitative measures of internationalization decisions and the factors that influence such decisions (Donnelly and Manolova, 2020). Although some studies on women entrepreneurship in an international context have used qualitative research measures (questionnaires and interviews) (Moreira *et al.*, 2019), most have had implicitly structured research designs. This study, however, adopted a rich narrative approach to allow women to construct and share their own experiences. Moreover, the narrative design was anchored on some of the African storytelling techniques. The application of African storytelling techniques showed that robust, context-specific data collection methods can contribute to the development of new theoretical insights.

Third, the study provided the inspiration for a number of policy recommendations to support women entrepreneurial exporters in a developing country context. Previous studies have shown that internationalized firms require home country support (Le Bas and Sierra, 2002). The findings from this study will therefore be of value to international business support institutions tasked with helping entrepreneurs deal with institutional challenges in their home countries and/or export markets. If the shortcomings in the "mainstream" export ecosystem can be addressed, more women entrepreneurs would be inclined – and able – to start exporting. Strengthening the entrepreneurial export ecosystem and integrating it into the "mainstream" export ecosystem would go a long way towards building a strong corps of women entrepreneurs who in turn will, collectively, enhance the country's export performance.

There are many impressive initiatives in place to help entrepreneurial concerns determine their export readiness, identify markets, arrive at optimal export prices, find buyers and comply with various regulations and standards. However, government-led initiatives and support measures are often "invisible" to or do not address the specific needs of new or prospective women entrepreneurial exporters in South Africa. As a result, such entrepreneurial exporters have often resorted to building their own, more diverse networks that are in tune with their aspirations and resource limitations.

In the light of the above, the authors offer the following five key policy recommendations.

First, export support measures and programmes should be made available in an online format, wherever possible, using provincial export promotion agencies' websites and digital platforms. For example, interactive, online awareness programmes could be run, supplemented by in-person training workshops, which should be regularly advertised on the agencies' websites. Even market selection tools, which have become increasingly user friendly and accessible online, could be made available to women entrepreneurs via these platforms to assist them in identifying optimal export markets.

Second, more public–private partnerships should be created using the services of export consultants, to mitigate against capacity constraints in government export promotion agencies. However, many women entrepreneurs would both prefer and benefit from a more "hands-on", tailored approach which would address their immediate needs (Lee *et al.*, 2011; Rosenbaum, 2019). Such assistance could form part of these suggested public–private partnership packages or be accessed through the more organic networks that characterize the entrepreneurial export ecosystem. Third, government export promotion agencies should embark on a serious drive to link entrepreneurs with value-driven, information-rich networks that will help them boost their export capacity and competitiveness. In that regard, the authors agree with Rosenbaum (2019) that the provision of online, on-demand export coaching services would be a time-efficient and cost-effective way for entrepreneurs to obtain tailor-made advice and assistance. Women entrepreneurs engaging with women coaches would be particularly valuable, as they understand and can empathize with women and their challenges in ways that men may not be able to.

Fourth, government export promotion assistance should be extended beyond facilitating initial contact and introductions to export value chain actors at trade fairs and missions. Assistance could also be directed at post-event activities, with the focus on turning export enquiries into firm orders and, ultimately, sustainable business. Suggested areas of support include providing guidance on formalizing export contracts with selling agents, distributors or buyers, and facilitating contact with export standards bodies, training providers, and reputable freight forwarders and customs clearance agents. Such added assistance would best be provided by private-sector experts, working in partnership with the export promotion agencies.

Fifth, government, through its relevant agencies, should adopt a more progressive stance towards women entrepreneurs in the export field, removing obstacles (such as a lack of transparency in funding criteria) to their obtaining grants and other forms of government funding. Not only will this help entrepreneurs to make earlier and more confident inroads into foreign markets, but it will also put them in a stronger position if and when they seek financing from banks and other commercial institutions.

Exporting will always be a complex field, given the multitude of players and the lack of uniformity in countries' regulations and procedures. It poses particular challenges to women entrepreneurs, given the many conflicting demands on their time, their limited resources and their vulnerability to discriminatory treatment by both public and private-sector entities. That is why the concept of an entrepreneurial export ecosystem is so important, as it provides a conducive environment for the sharing of knowledge and resources, thereby circumventing many traditional barriers to entry.

While an entrepreneurial export ecosystem should be actively supported, one must hope that, in time, it will converge with the "mainstream" export ecosystem, once entrepreneurs' pivotal role in the economy is recognized and fully supported.

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Women's exporting success:

evidence from Canadian small and medium-sized enterprises

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Abstract

Based on the Statistics Canada 2017 Survey on Financing and Growth of Small and Medium Enterprises, this chapter examines the role of gender on the export participation of Canadian small and medium-sized enterprises (SMEs), and identifies specific characteristics and business activities of women-owned SMEs that are associated with their export propensity and export intensity. It also provides empirical evidence of the benefits of online payments and innovations to the internationalization of women-owned SMEs. The study finds no statistically significant gender differences in the export propensity and the export intensity when business characteristics are controlled for. However, the impact of some characteristics on export propensity are significantly different between men and women-owned SMEs. Firstly, larger SMEs owned by women are less likely to export than men-owned and equally owned SMEs of the same size. Secondly, online payment and innovations play a more crucial role in facilitating exports for women-owned SMEs. Finally, for higher export intensity, the owner's education level and managerial experience are much more important for women-owned SME exporters than for men-owned and equally owned exporters.

Introduction

This study examines the role of gender of ownership on export participation of Canadian small and medium-sized enterprises (SMEs) and other firm-specific characteristics and business activities of women-owned SMEs.[1] Using firm-level data, we test whether women's ownership matters for SMEs' export propensity and intensity.[2] Additionally, we investigate if the relationship between firms' characteristics and export outcomes differs with the gender of ownership.

Understanding the drivers of increased women's participation in exports is important to inform policies aimed at ensuring the benefits of international trade reach all groups. An inclusive approach to trade recognizes that trade policies and agreements are not gender neutral. The recent availability of detailed data on owner and business characteristics suggests that not all groups (e.g. women, immigrants and visible minorities) are proportionally represented among exporters, or entrepreneurs in general (Huang, 2020; World Bank and WTO, 2020).

In Canada, while women-owned SMEs are underrepresented among exporters, this appears to reflect a gender gap in entrepreneurship. In 2017, women-owned SMEs represented 15.6 per cent of all SMEs, while 63.5 per cent were majority owned by men, and the remaining 20.9 per cent were equally owned by men and women (Bélanger-Baur, 2019).

A similar gender distribution is observed among SME exporters: 14.8 per cent were owned by women, 66.3 per cent by men and 18.9 per cent were equally owned (Bélanger-Baur, 2019). Women entrepreneur under-representation was also identified in US firms (Coleman and Robb, 2012; Fairlie and Robb, 2009), and in other years in Canada (Grekou and Liu, 2018; Industry Canada, 2015; Rosa and Sylla, 2016). Moreover, gender differences in firm performance are also identified: women-owned enterprises fall behind men-owned in terms of survival rates, sales, labour productivity and other indicators (Coleman and Robb, 2012; Couture and Houle, 2020; Fairlie and Robb, 2009; Grekou and Liu, 2018; Grekou and Watt, 2021).

These gender differences in entrepreneurship and firm performance do not seem to translate into lower export participation of women-owned SMEs in Canada, which is a somewhat surprising observation. Export propensity does not reveal large differences between gender ownership groups. In 2017, 11.1 per cent of women-owned SMEs exported, compared to 12.2 per cent for men-owned and 10.5 per cent for equally owned SMEs, indicating that firms owned by women are almost as likely to export as those owned by men. Moreover, export intensity (the export-to-sales ratio) among women-owned SMEs was 3.4 per cent, compared to 4.4 per cent for men-owned and 3.9 per cent for equally owned SMEs (Bélanger-Baur, 2019).

Looking more closely at some characteristics of SME exporters in Canada, Sekkel (2020) shows that, women-owned firms are over-represented among smaller SMEs, with 63 per cent having fewer than 20 employees and are also concentrated in sectors less likely to export, such as retail trade (32 per cent of women-owned exporters versus 6 per cent for men-owned and equally owned), and other services (8 per cent of women-owned exporters versus 2 per cent for men-owned and equally owned). In retail trade, 46 per cent of exporters are women-owned SMEs and, in other services, 41 per cent. Those shares are well above the group average of 14.8 per cent. Because smaller-sized businesses and those concentrated in services are normally much less likely to export, it raises the question of what business behaviours and decisions allow women-owned firms to become exporters at similar rates to men.

The trade literature on heterogeneous firms (Melitz, 2003) indicates that export costs (tariffs, quotas, transportation, product requirements) raise barriers that only the most productive firms can overcome. With limited resources, SMEs are generally less productive and therefore less likely to export. However, there are exceptions. Using Canadian firm-level data, Leung *et al.* (2008) show that, while on average, smaller firms are less productive many small firms are more productive than larger ones in the same industry group, highlighting not only diversity among firms but the fact that size is not the only factor influencing productivity differences. The same diversity in the size-productivity relationship is found in the size–export link. Lileeva and Trefler (2010) found many small and less productive exporting firms in Canada, which they called the “paradox of unproductive exporters”.

According to the World Bank and WTO (2020), the extent to which international trade can benefit women owners depends on their business characteristics, such as sector, size and access to information technology, as well as discrimination (explicit or implicit), and their home country’s participation in trade.[3]

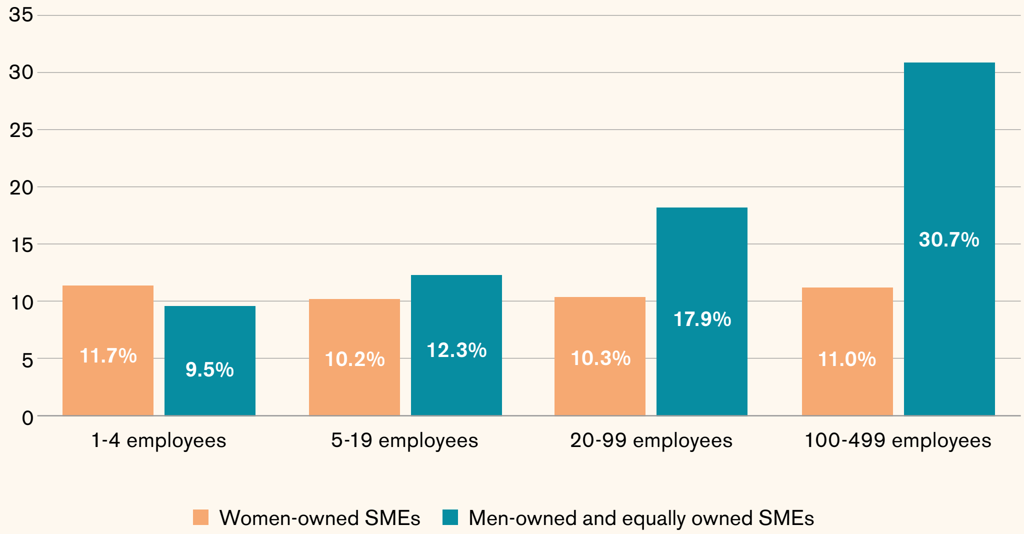
> **Women are over-represented in sectors with lower value-added and less export intensity, and among smaller enterprises.**

Using the theoretical approach based on feminist frameworks suggested by Orser *et al.* (2010), the liberal feminist view suggests that while men and women are essentially just as rational and make similar business decisions, they face different social and structural barriers. If women-owned firms underperform relative to men-owned ones, it could be attributed to systemic differences in firms' and owners' observed characteristics. Consequently, when these characteristics are controlled for, there should be no difference in firms' export performance. Alternatively, the social feminist approach suggests that women and men go through different socialization processes so that women construct gendered behaviours that lead to different decisions and business behaviours than men (Robichaud *et al.*, 2015). As such, gender would interact with firms' and owners' resource characteristics and yield gender differences in export performance (Orser *et al.*, 2010).

The empirical literature provides evidence for both theories. Marques (2015) compiled data from the World Bank's Enterprise Survey for twenty-three developing countries for 2006-07 and 2009-10 and found no statistically significant gender effect on export outcomes. However, the relationship between sector and export outcome depends on gender of ownership/management. The author states that "it is not being a woman per se that impacts export decisions, but the ownership and sector characteristics of firms managed or owned by women that bear a disadvantage for exporting". Women are over-represented in sectors with lower value-added and less export intensity, and among smaller enterprises. Patents, a strong determinant of export propensity for both genders, have a positive effect on export intensity of women-owned and women-managed firms. Using a sample of Canadian SMEs in 2004, Orser *et al.* (2010) find no statistically significant effect of the gender variable on the probability of exporting, after controlling for firm and owner characteristics. Alternatively, size, growth intentions and R&D investments significantly increased SMEs' export propensity. Owner experience showed no significant effect, while a firm's age was negatively related to exports. The authors used gender interaction variables to see whether the relationship between firm characteristics and export propensity was different between gender of ownership groups. They find that immigrant women were more likely to export than immigrant men, and that for the same firm size (number of employees), women-owned SMEs were less likely to export than men-owned ones.

This study builds on this literature by providing updated estimates of the role of ownership gender in export propensity and intensity for Canada, and identifying business behaviours and characteristics associated with female entrepreneurs' exporting success. Using data from the 2017 Survey on Financing and Growth of Small and Medium Enterprises (SFG), covering over 9,000 firms that represent Canada's SME population, this study estimates probit regression models for export propensity and two-part regression models for export intensity. As with previous studies for Canada and developing countries, we find no individual gender effect for the two exporting indicators, namely export propensity and export intensity, after controlling for SME characteristics such as size, industry and age, as well as management attributes and behaviour, such as education, management experience, innovation and presence of an online payment feature on the firm's website. Similar to Orser *et al.* (2010), gender interaction

Figure 1: **Export propensity by SME size and gender of ownership in Canada, 2017** (in percent)



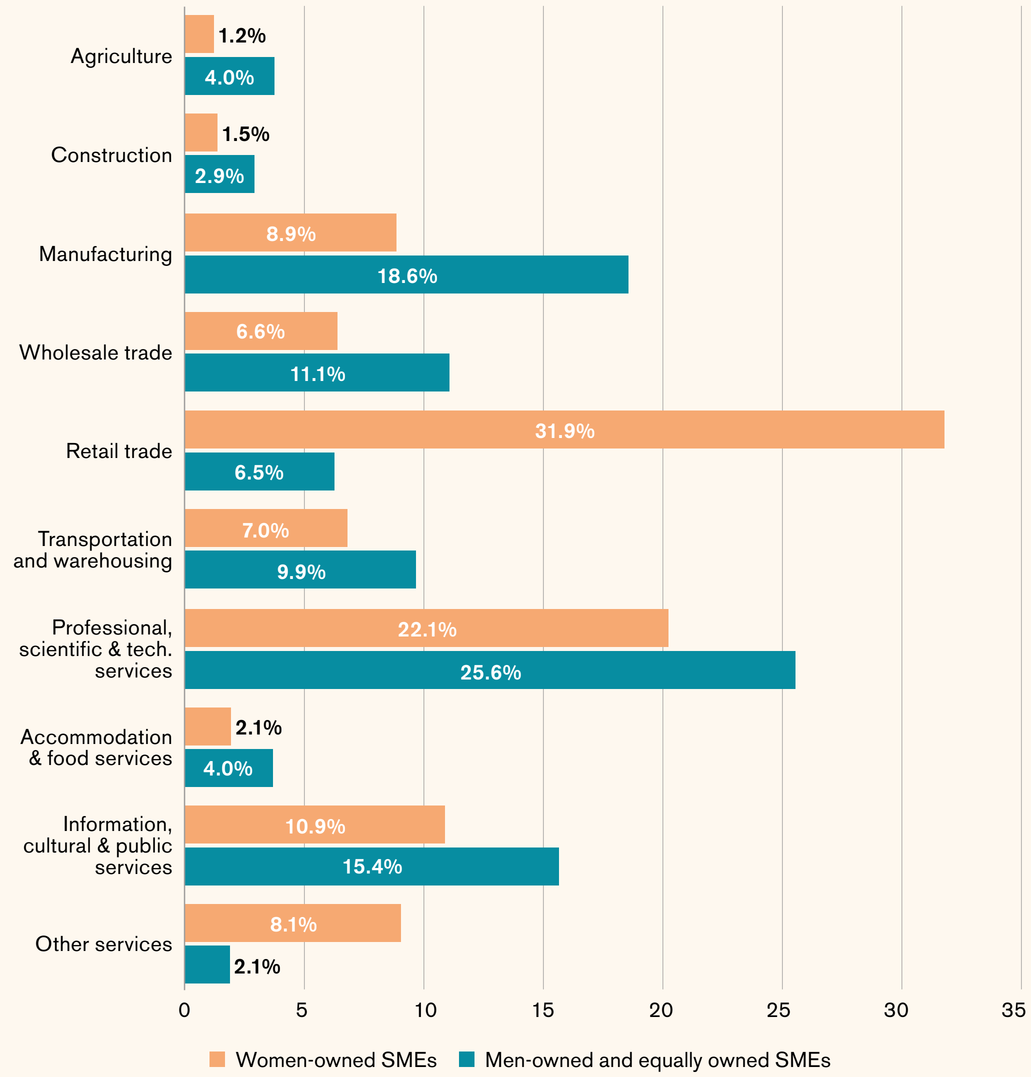
Source: Office of the Chief Economist, Global Affairs Canada. Data are from Statistics Canada (2017).

variables showed that women-owned SMEs with more than 19 employees were less likely to export than men-owned or equally owned ones. Descriptive data confirm these results. In Figure 1, the export propensity of men-owned and equally owned SMEs increases with each increment in size category, but the probability of exporting is practically the same among all size categories for women-owned firms.

Differently than any previous study, authors find that women-owned SMEs that have access to online payment, and use innovations in selling goods and services and in organizational method, are significantly more likely to become exporters than men-owned or equally owned SMEs. The fact that women-owned SMEs are highly concentrated in retail trade relative to men-owned and equally owned SMEs (see Figure 2), and that retail trade has the second highest percentage of SMEs with an online payment feature (8.2 per cent, after accommodation and food services at 8.6 per cent), suggests that providing an online payment feature enables them to overcome some of the barriers to entering export markets (Statistics Canada, 2017).[4] Such business behaviours seem to compensate the relatively disadvantageous business characteristics of women-owned firms and allowed them to succeed internationally.

A number of studies focus on the role of the Internet (Bianchi *et al.*, 2017; Ganotakis and Love, 2012; Nambisan, 2017; Reuber and Fisher, 2011;), digital technologies and e-commerce in the internationalization of SMEs in general, discussing the enabling effects of digital technologies in reducing transaction costs and lowering entry barriers to international markets. However, while various studies and reports highlight the increased importance of digital technologies for female entrepreneurs in cross-border trade (APEC/USAID, 2020; Rosenbaum and Hannibal, 2017; Suominen, 2018), none looked at the role of these factors for women-owned businesses using a representative sample of firm-level data.

Figure 2: Industry distribution of SME exporters by gender of ownership in Canada (2017) (in percent)



Source: Sekkel (2020) and Office of the Chief Economist, Global Affairs Canada. Data are from Statistics Canada (2017).

For export intensity, these factors were not statistically significant for any gender group. Alternatively, women-owned SMEs whose managers have more years of education and more years of management experience exported a higher share of their sales.

Data and general characteristics of Canadian SMEs

This study relies mainly on firm-level data from Canada's 2017 SFG. The SFG is conducted every three years by Statistics Canada and provides a cross-section sample of SMEs having between 1 and 499 employees and at least Can$ 30,000 in annual revenues. The 2017 sample had 9,115 responding firms linked with the National Accounts Longitudinal Microdata file for 2017 and 2016.[5] SMEs' gender of ownership is determined by the percentage owned by women, classified in three categories: (1) men-owned (0-49 per cent women ownership); (2) equally owned by men and women (50 per cent women ownership); and (3) women-owned (51-100 per cent women ownership).

Here, men-owned and equally owned SMEs were combined in one category as there was no statistical difference between the two groups based on various empirical tests (mean comparison after regressions). Also, it is reasonable to expect that if there were any gender-specific barriers limiting SMEs' export participation, these barriers could be overcome by the presence of a male co-owner in equally owned enterprises, placing these firms in a similar group with men-owned SMEs.

Some brief summary statistics from the data show that women-owned firms represented 15.6 per cent of all SMEs, and of those, 11.1 per cent exported in 2017.[6] By comparison, the proportion of exporters among men-owned and equally owned SMEs was only slightly higher at 11.8 per cent. Additionally, despite the very small differences in the export probability and labour productivity level (revenue/employee), some characteristics are quite different between the two ownership groups. Women-owned SMEs: (i) were much smaller 60.7 per cent had 1-4 employees compared to 53.7 per cent of men-owned and equally owned SMEs; (ii) were less concentrated among firms that were older than 10 years; (iii) were more present in services sectors, especially in retail trade (18 per cent of women-owned versus 10.3 per cent of men-owned and equally owned firms) and information, health and arts services (17.9 per cent of women-owned versus 9.15 per cent); (iv) had managers with fewer years of management experience, and were less likely to use any type of innovation; (v) had primary decision-makers with more years of education – about 18 per cent had a master's degree or higher, compared to 15 per cent for men-owned and equally owned SMEs; and (vi) were more likely to engage in e-commerce, with 11.8 per cent having an online payment feature on their website, compared to 7.8 per cent for the others.

Methodology

Export propensity

The following probit regression equation was estimated to test whether the gender of ownership plays a role in SMEs' probability of exporting:

$$\boldsymbol{Exportpropensity_i = c + \alpha Women_i + \beta X_i + \varepsilon_i} \qquad (1)$$

The dependent variable, ***Exportpropensity*** is a dummy variable for exporter status of firm ***i***, taking the value of 1 if the firm exported in 2017; the coefficient of interest, ***α***, is associated with the gender dummy variable identifying female-owned SMEs, ***Women***. The vector ***X*** includes export determinant variables related to firms' and owner's/manager's characteristics such as size, industry, years of managerial experience, level of education, age of firm and labour productivity – measured as the natural logarithm of the ratio revenue–employment, which was included with a one-year lag (2016) to minimize any potential endogeneity between productivity and exporting. As discussed in the literature review, higher productivity increases the probability of exporting, but firms can also become more productive after they start exporting. So, using a lagged productivity measure at least partially minimizes that potential secondary effect.

Equation 1 is further expanded to include measures of business behaviour, measured by innovation activities and online payment. Innovation is identified by the presence of product, process, organizational and/or selling innovations, as well as the presence of an online payment feature on a firm's website.[7] Export determinant variables and business behaviour variables then interacted with the dummy variable for female ownership to verify any differential gender effect. These interactions show whether the relationship between firms' characteristics and export propensity is different for women-owned SMEs and men-owned and equally owned SMEs.

The equation with gender interaction variables is specified as follows:

$$\boldsymbol{Exportpropensity_i = c + \alpha Women_i + \beta X_i + \mathcal{L} Women_i{*}\, X_i + \varepsilon_i} \qquad (2)$$

Where $\boldsymbol{\alpha}$ and $\boldsymbol{\beta}$ are as in Equation 2, and $\mathcal{L}$ is the coefficient of the product of the dummy variable for women ownership and export determinants variables. If the coefficient is statistically significant, then the difference is significant.

Export intensity

The role of female ownership in SMEs' export intensity, defined as the ratio of a firm's export sales to total sales, was analysed with a two-part model. These models are useful when the outcome variable, $\boldsymbol{y_i}$, export intensity in this case, is never negative, such that $\boldsymbol{y_i} = 0$ for firms that do not export, and $\boldsymbol{y_i} \geq 0$ for firms that export. The expected total export value as a function of a set of covariates is given by $\boldsymbol{E(\ y \mid x\ ) = P(\ y > 0\ ) + E(\ y \mid y > 0\ )}$, where the first term represents the probability of exporting, and the second term represents the value of exports given that the firm is an exporter. The two-part model allows for independence between the decision to export and how much to export. In practice, the first part of the model estimates a binary choice for the probability of exporting as a function of a set of covariates such that $\boldsymbol{P(\ y_i > 0 \mid x\ )}$. Then, conditional on the exporting decision, the second part estimates export intensity as a function of the same set of covariates through a linear regression model, $\boldsymbol{E(\ y_i \mid y_i > 0,\ x_i\ )}$ (Belotti *et al.*, 2015). This strategy corrects for the sample selection bias among exporters based on their observed differences in business performance relative to non-exporters. Additionally, the binary choice model accounts for the probability of observing a positive or zero outcome. Differently than the Heckman selection model, which denotes censored values by a zero outcome (tobit model), in the two-part model, the zeros are true values and may represent a deliberate business decision not to export, so it is not exactly censored.

For this study, once the equation is specified, the two-part model fits the probit model for the probability of exporting, and conditional on having a positive outcome for export intensity, it estimates an OLS (ordinary least squares) for export intensity, with log-transformed values for the dependent variable. Since both parts of the model use the same explanatory variables, the basic specification of the two-part model is given by Equation (3):

$$\boldsymbol{Exportintensity_i = c + \alpha Women_i + \beta X_i\, \varepsilon_i} \qquad (3)$$

The dependent variable, ***Exportintensity***, is continuous and represents the ratio between export sale and total sales for firm ***i*** in 2017. It keeps its raw values for the probit model and is log-transformed in the second part of the model, as ln (***Exportintensity***). The independent variables have the same definitions as in Equation (1). Mirroring the export propensity analysis, the basic specification of Equation 3 is tested with the inclusion of variables for technological innovation and online payment, and the inclusion of interaction variables between the dummy for women ownership and the other variables.

All the equations presented here were estimated using the survey weights. While there are no extreme differences between the weighted and unweighted regression results for the probit models of export propensity, the weighted regression was preferred so the results could be extended to the Canadian SME population. Given the cross-sectional structure of the data and the methodology used, the regression results presented here do not indicate causality between independent variables and export outcomes.

Determinants of women's exporting success in Canada

Export propensity: the role of e-commerce and innovation

Table 1 presents the results of the basic model and the model extension with business behaviour variables for innovation and online payment. In both sets of results, the coefficient for women ownership is not significant, indicating that, after controlling for observed characteristics of enterprises and primary decision-makers, there is no statistical evidence that women-owned SMEs have a different likelihood of exporting relative to men-owned and equally owned SMEs. These results concur with previous findings and are aligned with the liberal feminist approach, where the gender of ownership itself does not affect exporting outcomes of SMEs.

Table 1: Probit for probability of exporting: basic model and model with business behaviour

Variable	Basic model		Basic model with business behaviours	
	Probit coefficient	Ave. marginal effects	Probit coefficient	Ave. marginal effect
Women-owned	0.0302 (0.0942)	0.00478 (0.0151)	-0.0596 (0.107)	-0.0124 (0.0218)
Firm size (1-4 employees omitted)				
5-19 employees	0.147** (0.0720)	0.0223** (0.0109)	-0.0497 (0.0909)	-0.0101 (0.0185)
20-99 employees	0.330*** (0.0817)	0.0566*** (0.0152)	0.161 (0.101)	0.0367 (0.0234)
100-499 employees	0.598*** (0.122)	0.121*** (0.0306)	0.485*** (0.131)	0.129*** (0.0382)
Labour productivity	0.186*** (0.0380)	0.0289*** (0.00592)	0.168*** (0.0439)	0.0358*** (0.00917)
Innovation activities (no innovation omitted)				
Product and process			0.392*** (0.107)	0.0841*** (0.0262)
Organizational			0.586*** (0.134)	0.139*** (0.0392)
Selling			0.455*** (0.0935)	0.101*** (0.0233)
Online payment			0.500*** (0.146)	0.131*** (0.0457)

Variable	Basic model		Basic model with business behaviours	
	Probit coefficient	Ave. marginal effects	Probit coefficient	Ave. marginal effect
Education (high school omitted)				
College/CEGEP	0.0987 (0.0806)	0.0133 (0.0109)	0.0546 (0.107)	0.0102 (0.0200)
Bachelor	0.346*** (0.0905)	0.0558*** (0.0156)	0.241** (0.107)	0.0505** (0.0224)
Master or above	0.217** (0.105)	0.0319** (0.0163)	0.278** (0.127)	0.0595** (0.0281)
Years of management experience (<5 years omitted)				
5-10 years	0.253 (0.167)	0.0349* (0.0206)	0.550*** (0.184)	0.0928*** (0.0270)
10 years or more	0.223 (0.161)	0.0300 (0.0189)	0.484*** (0.171)	0.0780*** (0.0212)
Start-up	0.234* (0.125)	0.0415* (0.0251)	0.372** (0.154)	0.0934** (0.0443)
Industry (manufacturing omitted)				
Agriculture and mining	-0.963*** (0.127)	-0.240*** (0.0269)	-0.896*** (0.199)	-0.276*** (0.0475)
Construction	-1.632*** (0.140)	-0.296*** (0.0226)	-1.622*** (0.180)	-0.372*** (0.0303)
Transportation and warehousing	-0.329*** (0.103)	-0.106*** (0.0321)	-0.244* (0.133)	-0.0908* (0.0482)
Information, health and arts	-0.861*** (0.149)	-0.224*** (0.0309)	-0.936*** (0.170)	-0.284*** (0.0415)
Retail trade	-0.939*** (0.125)	-0.236*** (0.0262)	-0.996*** (0.151)	-0.296*** (0.0365)
Wholesale trade	-0.482*** (0.0958)	-0.147*** (0.0282)	-0.537*** (0.110)	-0.186*** (0.0366)
Real estate	-1.049*** (0.194)	-0.251*** (0.0311)	-0.995*** (0.249)	-0.296*** (0.0521)
Professional and scientific	-0.402*** (0.0953)	-0.126*** (0.0294)	-0.452*** (0.113)	-0.160*** (0.0391)
Administrative support	-0.986*** (0.194)	-0.243*** (0.0328)	-1.171*** (0.238)	-0.325*** (0.0432)
Accommodation and food	-1.109*** (0.114)	-0.258*** (0.0241)	-1.080*** (0.148)	-0.310*** (0.0353)
Other services	-1.070*** (0.115)	-0.253*** (0.0247)	-1.140*** (0.141)	-0.320*** (0.0335)
Constant	-3.181*** (0.460)		-3.052*** (0.575)	
Observations	7,838		4,498	
Pseudo R2	0.1505		0.1905	

Note: Robust standard errors in parentheses. Significance level of coefficients indicated as *** p < 0.01, ** p < 0.05, * p < 0.1. Weighted regressions using survey sampling weights. Regional controls were included in both regression models. CEGEP – Collège d'enseignement général et professionnel (public college in the province of Quebec).

All other results from the basic model (see Table 1) conform to standard results found in the literature. This includes that higher labour productivity and larger firm size are associated with higher export propensity which corroborates Arnold and Hussinger (2005) and Andersson *et al.* (2012), who find that more productive firms self-select into exporting, and Wolff and Pett (2000) and Orser *et al.* (2010), who find that larger firms are more likely to export. The average marginal effect indicates that export propensity increases by 2 per cent, 6 per cent and 12 per cent for each incremental change in the firm-size category relative to the base category (SMEs with 1-4 employees). For firm age, the distinction was clearly present for newly established firms, which are significantly more likely to export than older firms. Therefore, instead of using categorical variables to identify age, a dummy variable "start-up", was used for firms two years old or less. Consistent with Orser *et al.* (2010), who found a significant and negative relationship between firm age and export propensity, our results show that start-ups are 4.1 per cent more likely to export than older SMEs.[9] These results could support the notion of "born-global" – SMEs are established with the intent of being exporters, or as part of global value chains (WTO, 2016).

Primary decision-maker education level is also significant and positively correlated with the probability of exporting, such that SMEs managed by holders of a bachelor's or master's degree were respectively 5.6 and 3.2 per cent more likely to export, relative to those whose primary decision-makers only completed high school. Similarly, more years of primary decision-makers' management experience were positively and significantly related to the probability of exporting, suggesting that accumulated human capital, potentially through stronger international orientation, increases the ability of SMEs to engage in foreign markets (Ruzzier *et al.*, 2007).

Industry of operation is also an important determinant of SMEs' likelihood of exporting. Relative to the baseline, defined as SMEs in manufacturing (the industry with the highest probability of exporting according to descriptive data), all other sectors have a lower likelihood of exporting (hence the negative signs), so those with the highest marginal effects (or lowest absolute values) have probabilities of exporting closer to that of SMEs in manufacturing, namely transportation and warehousing (-10.6 percentage points), professional and scientific services (-12.6 per cent) and wholesale trade (-14.7 per cent). These compare with SMEs in construction (-29.6 per cent) and accommodation and food services (-25.8 per cent), who have an even lower probability of exporting.

The inclusion of variables for business behaviour (see Table 1), basic model with business behaviour variables) suggests that having an online payment feature on the firm's website, as well as innovative activities are significant and positively correlated with the probability of exporting.[10] SMEs able to engage in e-commerce are 13 per cent more likely to export. Moreover, organizational innovation increases firms' export propensity by 14 per cent relative to firms that do not innovate. Selling innovations as well as product/process innovations also have positive impacts on export propensity, at 10 per cent and 8 per cent, respectively. The variable for women's ownership remains not significant, showing that the fact that an SME is majority-owned by women does not change its probability to export, relative to those that are men-owned or equally owned by men and women. Other trends continue to be observed: firms that are larger, more labour-productive, younger (start-ups) and with more educated decision-makers have a higher probability of exporting. Years of management experience became significant and positively related with export propensity as e-commerce and innovation

> While firm size has no significant correlation with digital export, specialized managerial skills, such as digital and e-commerce manager are important.

variables were included. Alternatively, size variables for SMEs with less than 100 employees were no longer significant. These changes suggest that the small size disadvantage disappears as innovation, access to e-commerce and years of management experience become more relevant. Findings from Elia *et al.* (2021), who look at determinants of digital exports (defined as systematic and strategic use of e-commerce to sell products abroad) of about 100 Italian firms, tend to support those results. The authors find that while firm size has no significant correlation with digital export, specialized managerial skills, such as digital and e-commerce manager are important, suggesting that is not resources quantity (firm size) that matters, but rather resource quality (management experience).

While the results discussed so far do not point to a statistically significant role of gender of ownership in exporting probability, the results presented in Table 2, where gender interaction variables were included, identify significant differences in business strategies between the two gender groups.[11]

In Table 2, results from model 1 continue to support the importance of: greater labour productivity, being a start-up and having managers with more years of education and management experience. However, the interaction variables show interesting gender differences in how some firm's characteristics affect export propensity. First, consistent with previous findings, for men-owned and equally owned SMEs, larger firms are more likely to export. However, women-owned SMEs having 20-99 employees are 10 percentage points less likely to export than men-owned/equally owned SMEs, and for those with 100-499 employees, the difference is even larger, at 18 percentage points. These results suggest that for smaller firms (fewer than 20 employees), women-owned SMEs are just as likely to export as their counterparts, whereas for larger firms (20 employees or more), men-owned and equally owned SMEs are more competitive than women-owned firms in export propensity. This gender gap among larger SMEs could be due to other characteristics not measured in our model. Second, women-owned SMEs that have an online payment feature on their company's website were significantly more likely to be exporters than men-owned or equally owned SMEs that have the same feature, with a predicted probability of exporting 18 to 20 percentage points higher.[12] In addition, innovation also seems more relevant for women-owned SMEs than for men-owned/equally owned ones as it relates to exporting. Women-owned SMEs using organizational or selling innovations were respectively 9 and 8 percentage points more likely to export than their men-owned and equally owned counterparts using the same types of innovation.[13] Perhaps due to the relatively small sample of women-owned SMEs, the gender effect mediated by size becomes not significant when innovation is specified by three type categories, (see model 2, Table 2). It is worth noting that while e-commerce and innovation increase the exporting probability of men-owned or equally owned firms, the effects are significantly stronger for women-owned SMEs. Any observed potential (e.g. size or industry) disadvantage of women-owned SMEs seems compensated by business behaviours that allow these firms to overcome barriers to export. Last, with the inclusion of gender interaction variables, the individual gender dummy variables for women ownership becomes significant at the 10 per cent level, and bears a negative sign, suggesting that women-owned SMEs that do not engage in e-commerce or innovations are significantly less likely to export than men-owned or equally owned ones.

Table 2: Probit for probability of exporting: gender interaction

Variables	Model 1		Model 2	
	Probit coefficient	Ave. marginal effects	Probit coefficient	Ave. marginal effect
Women-owned	0.335* (0.186)	-0.0395** (0.0193)	-0.365* (0.187)	-0.0450** (0.0195)
Firm size (1-4 employees omitted)				
5-19 employees	-0.00721 (0.0997)	-0.00550 (0.0183)	-0.00841 (0.0991)	-0.00478 (0.0180)
20-99 employees	0.223** (0.109)	0.0335 (0.0224)	0.216** (0.110)	0.0334 (0.0221)
100-499 employees	0.547*** (0.138)	0.113*** (0.0355)	0.534*** (0.139)	0.117*** (0.0359)
Labour productivity	0.173*** (0.0428)	0.0361*** (0.00883)	0.174*** (0.0427)	0.0359*** (0.00873)
Women-owned and firm-size interaction				
5-19 employees	-0.127 (0.231)		-0.0986 (0.229)	
20-99 employees	-0.446* (0.269)		-0.390 (0.256)	
100-499 employees	-0.662** (0.326)		-0.472 (0.340)	
Online payment	0.277* (0.167)	0.102** (0.0434)	0.286* (0.165)	0.107** (0.0431)
Women-owned and online payment interaction	0.824** (0.344)		0.895*** (0.329)	
Innovation (no innovation omitted)				
Any innovation	0.385*** (0.0812)	0.101*** (0.0175)		
Product or process			0.386*** (0.117)	0.0740*** (0.0274)
Organizational			0.495*** (0.146)	0.141*** (0.0386)
Selling			0.334*** (0.0995)	0.0948*** (0.0219)

Variables	Model 1		Model 2	
	Probit coefficient	Ave. marginal effects	Probit coefficient	Ave. marginal effect
Women-owned and innovation interaction				
Any innovation	0.483** (0.213)			
Product or process			-0.168 (0.404)	
Organizational			0.669** (0.336)	
Selling			0.661*** (0.242)	
Education (high school omitted)				
College/CEGEP	0.0465 (0.108)	0.00856 (0.0198)	0.0495 (0.108)	0.00902 (0.0196)
Bachelor	0.234** (0.108)	0.0481** (0.0222)	0.238** (0.107)	0.0487** (0.0217)
Master or above	0.263** (0.127)	0.0552** (0.0275)	0.262** (0.128)	0.0542** (0.0275)
Years of management experience (<5 years omitted)				
5-10 years	0.556*** (0.190)	0.0920*** (0.0270)	0.577*** (0.189)	0.0940*** (0.0264)
10 years or more	0.481*** (0.177)	0.0756*** (0.0211)	0.496*** (0.175)	0.0765*** (0.0203)
Start-up	0.366** (0.157)	0.0900** (0.0442)	0.375** (0.156)	0.0920** (0.0439)
Constant	-3.095*** (0.570)		-3.098*** (0.570)	
Observations	4,498		4,498	
Pseudo R2	0.1982		0.2020	

Note: In model 1, there is no distinction among the types of innovation conducted by SMEs. In model 2, the innovation variables identify the effects of each innovation category (product or process, organizational and selling innovations). Robust standard errors in parentheses. Significance level of coefficients indicated as *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$. Weighted regressions using survey sampling weights. Industry and regional controls were included in both models. CEGEP – Collège d'enseignement général et professionnel (public college in the province of Quebec).

In summary, the results for export propensity suggest that when firm's characteristics are controlled for, the sole fact that an SME is majority owned by a woman does not put the firm at a disadvantage relative to its men-owned and equally owned counterparts for export propensity. However, female entrepreneurs need to be significantly more innovative and digitally engaged than male entrepreneurs in order to compete in export markets; otherwise, women-owned SMEs are less likely to export.

> There seems to be no statistically significant difference in export intensity of women-owned SMEs relative to men-owned or equally owned ones, when firms' and managers' characteristics are controlled.

Export intensity: the role of education and management experience

Descriptive statistics show that the average export intensity (or export-to-sales ratio) of Canadian women-owned SMEs that exported in 2017 was 31.6 per cent, compared to 37.1 per cent for men-owned and equally owned SME exporters, and a mean test indicated that that difference is not statistically different. Nonetheless, our interest relies not only on the gender of ownership role for export intensity but also on identifying what characteristics are related the export outcome.

The equations for export intensity are presented in three model groups: basic model, basic model extension including business behaviour variables for online payment and innovation activities, and model with gender interaction variables (see Table 3). Similar to export propensity results, there seems to be no statistically significant difference in export intensity of women-owned SMEs relative to men-owned or equally owned ones, when firms' and managers' characteristics are controlled for (basic model) or when online payment and innovation activities are included (basic model with business behaviour variables).

Table 3: Two-part export intensity model, OLS log-transformed (first-part probit results omitted)

Variables	Conditional OLS coefficients		
	Basic	Model with business behaviour	Gender interactions
Women-owned	-0.335 (0.273)	-0.316 (0.272)	-3.044*** (0.897)
Firm size (1-4 employees omitted)			
5-19 employees	-0.157 (0.149)	-0.245 (0.169)	-0.195 (0.146)
20-99 employees	-0.0832 (0.153)	-0.0751 (0.164)	-0.107 (0.152)
100-499 employees	-0.0672 (0.242)	-0.165 (0.245)	-0.0748 (0.244)
Labour productivity	0.137** (0.0685)	0.160** (0.0755)	0.154** (0.0617)

Variables	Conditional OLS coefficients		
	Basic	Model with business behaviour	Gender interactions
Education (high school/college/CEGEP omitted)			
Bachelor	0.305* (0.158)	0.388** (0.181)	0.163 (0.148)
Master or above	0.139 (0.188)	0.275 (0.195)	0.109 (0.175)
Women-owned and education interaction			
Bachelor			1.201** (0.508)
Master or above			0.0899 (0.773)
Years of management experience (<5 years omitted)			
5-10 years	0.700* (0.405)	0.574 (0.480)	0.144 (0.260)
10 years or more	0.742* (0.397)	0.563 (0.450)	0.160 (0.218)
Women-owned and years of management experience interaction			
5-10 years			2.117*** (0.796)
10 years or more			2.382*** (0.811)
Start-up	0.669*** (0.206)	0.542** (0.263)	0.646*** (0.193)
Online payment		-0.409 (0.286)	
Innovation (no innovation omitted)			
Product		0.297 (0.284)	
Process		-0.0781 (0.222)	
Organizational		0.319 (0.218)	
Selling		0.145 (0.182)	
Constant	-3.257*** (0.804)	-3.704*** (0.961)	-2.816*** (0.781)
Observations	1,342	1,121	1,342
R-squared	0.1457	0.1559	0.1773

Note: Robust standard errors in parentheses. Significance level of coefficients indicated as *** p<0.01, ** p<0.05, * p<0.1. Weighted regressions using survey sampling weights. Industry and regional controls were included in all regressions. CEGEP – Collège d'enseignement général et professionnel (public college in the province of Quebec).

For all three models in Table 3, the size variables are not statistically significant, suggesting that having more employees has no effect on SME's export intensity. While larger firms are more likely to export than smaller ones, larger firms do not export a larger share of their sales than smaller firms. This result is consistent with other studies looking at SMEs export intensity (Kalafsky, 2004; Pla-Barber and Alegre, 2007; Şentürk and Erdem, 2008), suggesting that the increase in export intensity is non-linear and decreasing with firm size (Wagner, 2001). In turn, higher labour productivity and being a start-up (two years or less since inception) are associated with higher export intensity, also consistent with the literature. SMEs whose primary decision-maker owns a bachelor's degree had significantly higher export intensity than the base group (high school or college/CEGEP),[14] while those with a master's degree or more did not have an export intensity significantly higher than the baseline.

Again, using manufacturing as the baseline industry, SMEs in wholesale trade and in professional and scientific services had the highest export intensity, while information, health and arts services, as well as accommodation and food services, had the lowest. More years of management experience is also positively linked with export intensity (basic model), but the effect is dissipated when online payment and innovation are included (business behaviour model). While online payment and innovative activities seem to be quite important for export propensity, they have no statistically significant effect on export intensity. These results go against other findings on R&D (Wagner, 2001, 2015), but Ganotakis and Love (2012) find no significant effect of internal R&D and export intensity, but observe a positive effect for e-commerce, while Hagsten and Kotnik (2017) and Sinkovics and Sinkovics (2013) find no significant effect for e-commerce.

Given their non-significance, business behaviour variables were not included in the equation with gender interactions. Interestingly, years of education as well as years of management experience were the only variables with a significant differential gender effect. Women-owned SMEs whose primary decision-maker has a bachelor's degree and more years of managing experience show higher export intensity than men-owned and equally owned SMEs with the same qualifications. Yet, these effects were not statistically significant for men-owned or equally owned SMEs. These results suggest that, despite being smaller and operating in industries less likely to export, women-owned SME exporters benefit more than their peers from more years of education and of management experience in increasing their export propensity and export intensity. Finally, while the average gender effect does not change, the dummy variable for women-owned SMEs becomes significant and negatively related with export intensity as gender interaction terms are included, suggesting that when the indirect

"Despite being smaller and operating in industries less likely to export, women-owned SME exporters benefit more than their peers from more years of education and of management experience in increasing their export propensity and export intensity.

gender effect of education and management experience are captured, the remaining effect of women ownership on export intensity is significantly smaller than for men-owned or equally owned SMEs.

Discussion of results and topics for future research

One relevant finding of this study is the fact that online payment is not only an important factor for any SME to increase export propensity, but a lot more important for women-owned SMEs. While the presence of an online payment feature on an SME's website is an essential tool for e-commerce (APEC/USAID, 2020), it does not directly measure the magnitude of e-commerce, or its actual utilization specifically for cross-border sales. As such, it does not identify the exact mechanism through which the benefits of e-commerce are reflected in greater export propensity. Moreover, the study does not answer why export propensity is higher when online payment and innovations in organizational methods and sales are used, especially for women-owned SMEs. It is possible that selling products represents a possible path to international markets that allows women-owned SMEs to overcome observed (e.g. fewer resources in being small) and non-observed (e.g. discrimination) barriers to exporting. It is also possible that organizational and selling innovations are important activities that allow female entrepreneurs to have an online presence and export more.

While being innovative is generally related with higher productivity, which increases the likelihood that firms will overcome barriers to export, these results suggest that being able to sell products and services online decreases the fixed costs of entry on international markets. And even more so for women, suggesting that the barriers for them are even higher. In contrast, the fact that innovation and online payment were not statistically significant for increasing export intensity suggests that these activities do not appear to help firms overcome the variables costs of exporting an increase the intensive margins of trade. According to Hagsten and Kotnik (2017), online payment could be considered a technology too simple to increase firms' export intensity. More advanced Internet and digital technologies can be more effective in broadening and strengthening customer relations. This study also finds that women-owned businesses benefit from more years of education and management experience than men-owned and equally owned SMEs. One possible explanation could be that women-owned businesses are significantly smaller than their counterparts, and with fewer resources (i.e. fewer employees), they need to invest in higher quality, requiring managers with more education and experience. In contrast, men-owned and equally owned firms are larger, have more employees are likely able to afford managers with fewer years of education and experience while still performing on international markets.

Finally, the study does not provide answers to the reasons why women-owned SMEs are significantly smaller than other gender groups and are over-represented in services industries (especially retail trade). Looking at Canadian and US SMEs, Robichaud *et al.* (2015) show that firm growth is negatively related to family goals for women-owned firms, such that spending more time with family takes away time that could be devoted to the business. It is also possible that women are more risk averse than men, which could influence the sector where they choose to operate, preferring activities with a higher degree of routine, and in which firms are smaller (Marques, 2015). Huang and Rivard (2021) suggest that women-owned SMEs in Canada are not less likely to obtain credit or have a lower share of the credit requested than man-owned SMEs. However, they are more likely to be discouraged

> This study shows that having access to an online payment website and using organizational and selling innovations, played important roles in determining success of women-owned SMEs in their probability of exporting.

borrowers, and avoid requesting credit for fear of being declined, which could potentially limit firm size and growth. Finally, women may self-select into opening a small business because they find other types of professional activities do not provide equal opportunities or are not compatible with the demands of their personal life. These are interesting topics for future research.

Conclusions

This study shows that having access to an online payment website and using organizational and selling innovations, played important roles in determining success of women-owned SMEs in their probability of exporting. Moreover, having more years of education and more years of management experience were associated with higher export intensity for women-owned SMEs relative to their counterparts.

These results have interesting policy implications, as they suggest that women-owned SMEs have different business strategies for entering export markets than men-owned or equally owned SMEs; they also rely on education and management experience a lot more than their peers to increase their export intensity. Policies that provide support for increased access to digital technology, as well as for broader types of innovation beyond products and processes, could potentially help women-owned SMEs overcome export barriers and contribute to the extensive margin of trade. Alternatively, traditional policies that promote education and give opportunities for women to gain management experience could contribute to the intensive margin of trade.

The data in this study date from 2017, so before the COVID-19 pandemic. While it is not possible to know for sure how the results presented here would have been different if the pandemic effect was accounted for, there is evidence in Canada that women-owned businesses were quite resilient and managed to increase their online sales faster than the all businesses. Data from the Canada's Survey of Business Conditions show that, between the first quarter of 2019 and the same period of 2021, the percentage of businesses that sold 10 per cent or more of their total sales online increased by 83 per cent among women-owned, compared to 41 per cent for all businesses. These numbers, however, do not show whether these women-owned businesses managed to export or not. Moreover, small businesses in the services sector, where women entrepreneurs are known to be overrepresented, were hard hit by the measures to contain the spread of the virus (Cukier *et al.*, 2022).

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Endnotes

1. SMEs are defined as firms having between 1 and 499 employees and annual gross revenue of Can$ 30,000 or more.
2. For any given gender group, export propensity is the share of exporters among all enterprises in that group. Export intensity is the percentage of export sales in total sales of a firm.
3. Countries that specialize in commodities have lower shares of majority women-owned businesses and exporters than countries specializing in manufacturing (World Bank and WTO, 2020).
4. The percentage of SMEs with an online payment feature is highest among those that innovate in selling, at 7 per cent, but lowest among SMEs that use organizational innovation (Statistics Canada, 2017).
5. More details on sampling and methodology can be found at https://www.ic.gc.ca/eic/site/061.nsf/vwapj/Methodology_Report_2017_eng.pdf/$FILE/Methodology_Report_2017_eng.pdf.
6. Full descriptive statistics are available from the authors upon request.
7. The SFG defines these innovations as: (i) product: new or significantly improved good or service; (ii) process: new or significantly improved production process or method; (iii) organizational: new organizational method in a firm's business practices, workplace organization or external relations resulting from a strategic decision taken by management; and (iv) selling: a new way of selling the firm's goods or services, reflecting significant changes in product design or packaging, product placement, promotion or pricing.
8. Firm age was initially included in three categories based on the number of years since the firm creation, with the baseline being firms with less than two years since establishment. However, for all regressions tested, the relationship between firm age and probability of exporting was unclear and not statistically significant.
9. Based on predicted probability results (provided upon request).
10. Due to the low count of SMEs majority-owned by women that undertook product and process innovations, it was necessary to combine the two groups to avoid confidentiality issues.
11. Interaction variables that were not statistically significant were excluded from the final regression.
12. Results available upon request.
13. Results available upon request.
14. In the export intensity analysis, the education variable was specified differently that in the export propensity analysis. For export intensity, high school and college/CEGEP categories were combined and became the baseline since these two groups seem to have more similarities in the SME exporters sample.

Gender and trade:

How are gender provisions in trade agreements perceived by Chilean women exporters?

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Abstract

There is widespread literature that illustrates the link between gender and trade, as it can reveal the different roles of women and men in economic activity. Therefore, trade policy can be a critical instrument for reducing or reinforcing gender inequalities.

Women face different obstacles when integrating into international trade, and while Chile has pioneered the incorporation of gender provisions in its free trade agreements (FTAs) since 1997, there is a lack of information regarding how women exporting from the country perceive the usefulness of these instruments.

This chapter analyses the relationship between trade and gender, focusing on Chile's experience with gender-sensible trade regulation. Through different qualitative methods, this chapter demonstrates that most of the Chilean women exporters are not aware of gender provisions and that they perceive their inclusion as a positive measure to tackle gender inequality. However, they do not observe a significant difference when trading with countries with gender provisions in their FTAs with Chile.

Introduction

Economic policies differently impact men and women due to the different roles they have within the social system. Thus, social relational contexts are key in developing the established gender regimes in which they coexist, leading to sex segregation in jobs, division of labour and gender differences in decision-making positions, among others (Bahri, 2021). Such differences often result in a disadvantaged position for women, as they negatively affect women's autonomy by acting as obstacles to their social and economic development.

Trade used to be perceived as gender neutral. However, multiple studies have demonstrated that trade policy is not gender neutral. This means that if trade policies are designed without taking into account their impact on gender, these policies can increase the existing gender gaps. Gender equality as a priority for policymaking processes enables international trade to play a key role in fostering long-lasting sustainable development, especially when there is gender mainstreaming in trade policy instruments (OECD, 2021a).

While there has been a proliferation of gender provisions in various trade agreements ever since the Treaty establishing the European Economic Community in 1957, the southern hemisphere has shown significant activity in taking into consideration the linkage between gender and trade within its trade policymaking. In fact, the second gender provision ever was negotiated in the Treaty for the Establishment of the Economic Community of Central African States (ECCAS Treaty). The first chapter on trade and gender issues was included in 1994 in the Common Market for Eastern and Southern Africa (COMESA), and the first gender-specific chapter in trade agreements took place in the 2016 Chile–Uruguay free trade agreement (FTA) (WTO, 2022).

There are substantial gender-specific policies in South America's main economic integration processes. For example, in the Southern Common Market (Mercosur), established in 1991, and the Pacific Alliance, established in 2011. On the one hand, Mercosur has launched several initiatives such as workshops, awareness-raising campaigns, diagnoses and guides, among others, directed at promoting the participation of women in areas of power and decision-making. For example, the Regional Audiovisual Contest "Parity is Equality" and the "Regional Information Leaflet on Social Security for Domestic Workers in MERCOSUR" are part of this customs union (Dieguez, 2022). On the other hand, through the Paracas Declaration, the Pacific Alliance established the Technical Gender Group in 2015, and developed the "Roadmap for the autonomy and economic empowerment of women in the Pacific Alliance" (SUBREI, 2021)

Chile has based a large part of its economic development strategy on opening markets, promoting exports and attracting foreign direct investment through unilateral, bilateral, multilateral and mega-regional and sectoral thematic agreements. This has led to a significant increase in the number of its FTAs, providing the country with access to 88 per cent of the world's GDP through its 33 FTAs with 65 economies from around the globe. Within this framework, Chile has initiated the inclusion of gender-related provisions into its FTAs with various countries and regional arenas such as the Pacific Alliance and the Asia-Pacific Economic Cooperation (APEC) (López *et al.*, 2019).

In 2016, the Chile–Uruguay FTA became the first one with a specific gender chapter. As of today, the country has more agreements with gender chapters such as the FTA with Canada (2017), Argentina (2017), Brazil (2018) and Ecuador (2020) and some more in negotiation such as the European Union, the Republic of Korea and Singapore.

This chapter seeks to analyse the Chilean women exporters' perception of the country's gender provisions in its trade agreements. For this purpose, this chapter reviews academic literature regarding trade and gender as well as Chile's experience in integrating a gender perspective in its trade policymaking. Semi-structured interviews with women who export from Chile, representatives from international organizations, academic experts on gender and trade, and representatives of the Chilean public sector were conducted. In total, 20 interviews were carried out.

> "Chile has based a large part of its economic development strategy on opening markets, promoting exports and attracting foreign direct investment through unilateral, bilateral, multilateral and mega-regional and sectoral thematic agreements.

The chapter begins by reviewing the relevant literature regarding the linkage between trade and gender. Chile's experience with gender-sensible trade regulation is reviewed, and an overview of the perception of gender provisions in trade agreements perceived by women who export from Chile is presented.

Gender and trade

Traditionally, free and open trade has been approached as a tool to raise the productivity levels of countries and expand employment opportunities for their population while boosting the country's overall development. That is why, for decades, a country's main objective in negotiating trade agreements was to reduce trade barriers by seeking greater access to international markets (Albertoni, 2022). However, while increased trade has led to economic growth in some countries, this has not necessarily translated into social development largely due to income disparity and social inequality and exclusion in the global population (UNCTAD, 2020). This has led countries to reach a consensus, made visible first by the Millennium Development Goals and later by the Sustainable Development Goals, that economic growth alone is not enough to achieve inclusive and effective development.

Thus, trade policy, amongst other instruments, has been increasingly used to advance and promote sustainable development (Bahri, 2021). The focus of these policies has been mainly directed to the promotion of human rights, environmental protection and gender equality.

Through the 1994 Marrakesh Agreement Establishing the World Trade Organization, the international community put on the table the search for sustainable development through the protection and preservation of the environment while acting in a compatible manner with the respective trade needs and interests of the countries involved (WTO, 2022). In 2015, both the Addis Ababa Action Agenda of the Third International Conference on Financing for Development and the 2030 Agenda for Sustainable Development enunciated a direct link between gender, trade and sustainable development. As of today, it is estimated that about 75 per cent of all countries have negotiated trade agreements with human rights provisions.

More precisely, there is a consensus that "when countries trade, women win" (World Bank, 2020). An essential element to consider in analysing the relationship between trade and gender is the distributional outcomes and gender roles in society. Studies indicate that trade policy is not gender neutral; and since trade policies benefit some more than others, the distributional outcomes of trade may vary between women and men, as they play different roles in society, markets and the economy while also enjoying different opportunities. Therefore, trade policy can be more effective in reducing the gender gap by tackling "gender-specific barriers and structural differences in the economic participation of women and men in different sectors" (UNCTAD, 2020).

The interrelationship between trade and gender becomes particularly relevant because, if trade policies are designed without considering their impact on gender dynamics, these policies may exacerbate existing gender gaps. Inclusive trade policymaking is most successful in addressing the gender gap in international trade when it is based on evidence. In this way, sex-disaggregated data are key in assessing the different ways in which trade policy can impact women and men (World Bank, 2021).

Inclusive trade is a critical component to achieving gender parity. It creates more job opportunities for women with higher wages and better working conditions (World Bank and WTO, 2021). However, the impact of trade on men and women depends largely on the societal and economic structure of each country, industry or sector. Given that women and men play different roles in society, markets and the economy, the effects of trade policies are different for each one.

Therefore, women are often more affected by the negative effects of trade liberalization and face more obstacles than men in taking advantage of trade opportunities. This is mainly due to gender biases in education, upbringing, wage inequalities and existing gender gaps in the distribution of resources, as well as unequal access to productive inputs such as credit, property and technology.

Such biases affect women in the multiple roles they play in the economy: as workers, producers, traders, consumers, investors, users of public services and taxpayers (UNCTAD, 2020). Further, they limit women's access to productive resources such as credit, land and inputs, which negatively impacts their productive efficiency.

"Unequal rights before the law also limit women's opportunities and economic empowerment" (Frohmann, 2019). Globally, only 13 per cent of women own agricultural land. In 2022, husbands could legally prevent their wives from working in 18 countries; there was gender differentiation in inheritance rights in 39 countries; and in some countries, wives require their husband's permission to access banking (Bahri, 2021). Inequalities related to the right to own and/or inherit land hinder women's ability to accumulate capital. Further, these inequalities hamper their investment capacity and traps them in low-value activities. "Because they have fewer land rights and limited access to inputs, women become less efficient and produce smaller quantities of crops" (UNCTAD, 2020).

For women in some countries, not having autonomy in accessing their own bank accounts perpetuates and fosters a vicious cycle of inequality. By not having a bank account, women are unable to conduct financial transactions, which limits their ability to develop a credit history that could facilitate their access to capital, keeping women as secondary agents in economic activity (Frohmann, 2019).

Likewise, gender inequality in trade can result in harassment in informal cross-border trading and reduce women's access to means of transport, impacting the speed in which they access markets, and detrimentally affecting their ability to trade in the same way as their male counterparts.

Gender gaps in education play a substantial role in the treatment of women when trading. As reported in the United Nations Educational, Scientific and Cultural Organization (UNESCO) *Gender Report 2022*, two-thirds of the 771 million adults without basic literacy skills are women (UNESCO, 2022) and, according to the World Bank (2020), while gender gaps in education have decreased significantly in certain regions, it has prevailed in others. For example, over the past decades, women's access to education has increased in Latin America and the Caribbean. However, it is not the same case in Sub-Saharan Africa, where more than one in four young women are illiterate. This results in them having less bargaining power and undermining their potential as traders.

> **Women carry out most of the unpaid (care) work in their household, and motherhood often has negative effects on gender pay gaps and career development.**

Moreover, as stated by the Organisation for Economic Co-operation and Development (OECD), women carry out most of the unpaid (care) work in their household, and motherhood often has negative effects on gender pay gaps and career development. In the case of Chile, it is estimated that as of 2015, women spent 24.7 per cent of their time on domestic chores and unpaid care work while men spent 10.8 per cent (ECLAC, 2021).

Within this frame of reference, trade liberalization can be used as a positive tool for gender equality by contributing to the price reduction of the goods that women generally buy. Female-headed households, especially in developing countries, tend to spend a larger share of income on food, which is usually subject to higher tariffs. Thus, reducing or eliminating import tariffs on those goods could result in women's access to a greater variety of goods and services while increasing their real income (Piermartini, 2021).

It is worth noting that in trade agreements, on the one hand, there are chapters in which countries commit themselves to trade liberalization. On the other hand, in the texts negotiated by the negative list, there are annexes containing the current and future measures in which policies may be excluded from the liberalization commitments. These reservations can be on diverse items such as artisanal fishing, customs agents, cultural industries and minorities, amongst others. In the framework of these reservations, countries can incorporate measures and policies that promote gender equality, non-discrimination and enables the empowerment of women (Frohmann, 2019). Some experts consider it necessary to include gender clauses transversally in all FTA text.

Gender chapters are pivotal and tend to focus on shared commitments, cooperation, training and data collection, albeit the mainstreaming of gender issues in trade agreements themselves can make a positive and substantive difference. For example, it can foster the design and implementation of public policies that maximize opportunities, forward the integration of women into more dynamic economic sectors and mitigate gender disparities (UNCTAD, 2020). This can advance women's participation in international trade, facilitate them with better and more competitive wages, and stimulate women's transition from the informal to the formal economy, allowing for better working conditions.

Two main approaches address the causes and constraints that contribute to women's unequal participation in the workforce and gender wage gaps: the bottom-up approach and the top-down approach. The bottom-up approach requires efforts to change internal legislation and social norms at the national level to reduce barriers to women's empowerment. The top-down approach requires using international law to incentivize change at the national level. In this way, trade policies can influence changes in national laws and policies to shape society, the labour and the economic sectors in a way that reduces some of the barriers to women's equality (Bahri, 2021).

In this context, international trade policy tools can contribute to gender equality through:

- the generation of specific data on trade and gender;
- ex-ante and ex-post assessment of the impact of an agreement on gender gaps;
- civil society participation and expert representation in negotiations;
- measures to adapt to and compensate for the impact of trade on women;
- gender chapters in trade agreements;
- gender mainstreaming in trade disciplines themselves;
- gender-sensitive trade facilitation measures;
- the promotion of women's export entrepreneurship;
- the elimination of legal restrictions and barriers to have access to finance (Frohmann, 2019).

However, trade may have negative effects on some women if the trade policy that is in place does not consider how localized costs related to trade liberalization can negatively affect women's livelihoods (Piermartini, 2021). Adopting an intersectional and gender lens approach means identifying which women are being benefited by trade, in which sectors, and the scale of the businesses that are going to be affected by it. Subsequently, the collection of gender-disaggregated data is crucial to use trade as an instrument for mediating gender equality, increasing equal economic opportunity for all, regardless of sex or gender, and avoiding reinforcing gendered barriers to trade (OECD, 2022a).

The inclusion of gender issues in the multilateral trade agenda can be perceived as a cultural imposition by Western countries, which can cause friction and slow down negotiations on the adoption of trade agreements that refer to it. If not careful, gender mainstreaming in trade policy can also be used as a barrier to trade. Also, criticism has been oriented through trade agreements including gender issues arguing that they can reduce the policy space afforded to national initiatives (Kiratu and Roy,2010).

Chile's experience with gender-sensible trade regulation

From a welfare-based economy since the 1920s, to an import substitution industrialization in the early 1970s, to the establishment of a neoliberal strategy based on trade liberalization after 1973, to the current export model, Chile has implemented different economic development models to boost its economy in hopes of greater economic development.

As a mainly exporting country, Chile's economy largely depends on its interrelation with other markets and its inclusion in global value chains. To address this, Chile's economic development model has sought to open markets, promote exports and attract foreign direct investment through four levels: unilateral, bilateral, multilateral, and mega-regional and thematic sectoral agreements.

At the unilateral level, Chile has relied on unilateral tariff reductions and export promotion policies. At the bilateral level, the country has implemented economic complementation agreements directed at the search for market access, and FTAs oriented at seeking comprehensive agreements. At the multilateral level, Chile has been an active member of multiple multilateral economic organizations such as the WTO, the OECD, the Latin American Integration Association (ALADI) and APEC. Finally, regarding mega-regional and thematic agreements, Chile is part of the Pacific Alliance, the Digital Economy Partnership Agreement (DEPA), the Global Trade and Gender Arrangement (GTAGA) and has signed the Comprehensive and

> **Chile's trade network is vast. However, the benefits of trade and investment have been narrowly shared due to deep-rooted inequalities in economic conditions and opportunities.**

Progressive Agreement for Trans-Pacific Partnership (CPTPP). Currently, Chile is part of 32 trade agreements with 65 economies worldwide.

Chile's trade network is vast. However, the benefits of trade and investment have been narrowly shared due to deep-rooted inequalities in economic conditions and opportunities. Chile still faces problems such as: (i) low taxes and transfers, being one of the lowest among OECD members; (ii) scarcely adequate old-age pensions; and (iii) very low social and economic mobility for the most vulnerable communities (OECD, 2021c). Moreover, there are clear disparities between men and women in accessing economic opportunities, partly due to gender socialization, gender division of labour, occupational stereotypes in science, technology, engineering and mathematics (STEM) careers, vertical and horizontal gender inequality in the workplace, and the absence of affordable care in the society (Dunn, 2021).

Chile is a commodity-based, export-driven economy and is profoundly interrelated with patterns of global demand (Santander Trade, 2022). The country's export basket remains largely dependent on primary resources and deeply concentrated in mining and agricultural products and their derivatives (e.g. lithium carbonate, grapes and copper; Banco Central de Chile, 2022). This results in the country's economic growth being highly dependent on global trade, making it particularly susceptible to any drastic changes or shocks in the international arena. Adopting public policies designed at diversifying the economy towards new industrial and services sectors could present an opportunity to counterbalance this trend and develop a more resilient economy (Lopez *et al.*, 2020).

The last four years have been particularly harsh for the Chilean economy. In October 2019, the country underwent widespread social unrest accentuating the already existing economic uncertainty. In 2020, the COVID-19 pandemic led to the sharpest contraction of economic incomes in 40 years, and while it was able to recover quickly in 2021 due to strong policy support, domestic demand and the war in Ukraine caused the country's inflation to rise around 14 per cent. Additionally, according to the most updated OECD Economic Survey on Chile (OECD, 2022b), growth slow down sharply to around 1.4 per cent in 2022 and is projected to decline 0.1 per cent in 2023.

Chile's economic gender gaps are based on: (i) the unbalanced role distribution in households; (ii) women tending to perform less qualified work (contributing to them earning lower salaries); (iii) the closure or instability of care systems during the COVID-19 pandemic; and (iv) the fact that the economic sectors most affected by the health crisis were those that employ a greater number of women. To date, women continue to participate less than men in the labour market, work in historically feminized activities and are overrepresented in informal and temporary employment. In fact, out of every ten people working in Chile, six are men and four are women (Mansilla, 2022).

The COVID-19 pandemic caused a major setback in the participation of women in the labour market, reaching 41.2 per cent in June 2020, which meant a ten-year setback (Mansilla, 2022). The participation rates in the labour market were 48.3 per cent for women and 69.6 per cent for men, with a 21.3 per cent gender gap. Even though foreign women participated 24.1 per cent more in the labour market than Chilean women, their labour participation was also lower than that of foreign men in 2021. Nonetheless, among young workers, these gaps are considerably smaller, as the gender gap in labour participation was 9.3 per cent between people from 15 to 29 years old, while among people aged 30 years and older, the gender gap reached 26.1 per cent (Godoy, 2022).

Furthermore, the following factors had a direct impact on delaying women's return to the labour force in Chile:

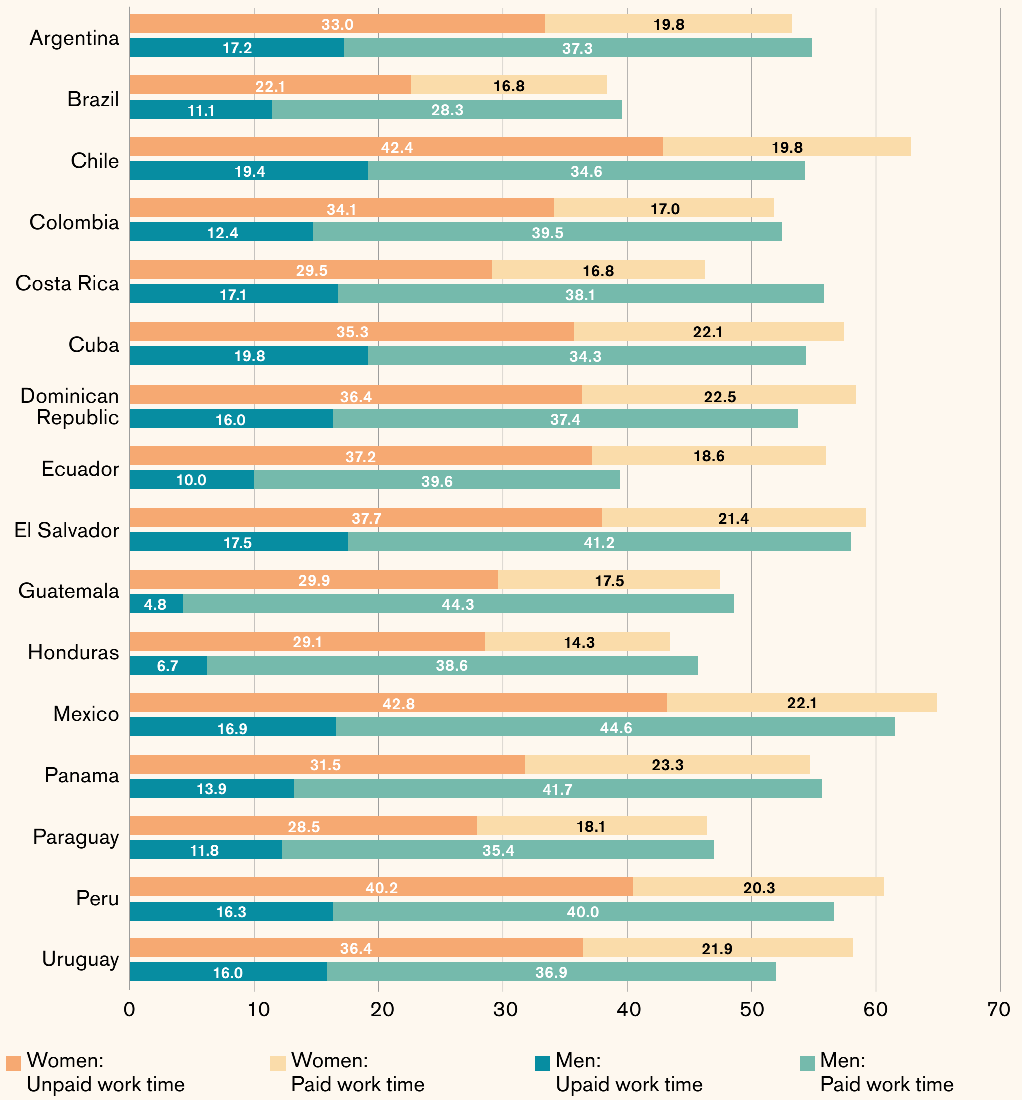
- the implicit costs of being employed during the pandemic (e.g. risk of contagion);
- the implementation of fiscal and monetary policies regarding cash transfers and the 10 per cent early withdrawals of pension funds, the cost reduction strategies adopted at households' level (i.e. learning to live with less).
- the changes in risk perception associated with the loss of income during the pandemic (e.g. women with a prolonged work history were able to meet their basic needs through different strategies, which led to formal, salaried work losing their centrality in obtaining a stable income).
- women taking on caregiving tasks in their households during the pandemic due to lockdown measures such as the closure of nurseries, kindergartens and schools, as well as the implementation of remote education (UNDP/ILO, 2022).

As seen in Figure 1, the amount of time spent on unpaid work by women is more than double the amount spent by men. In fact, during the pandemic, this trend continued and time spent caring for children, cooking and cleaning increased for 54 per cent of women versus only 38 per cent of men.

Regarding gender pay gaps, the proportion of women who earn a low income in Chile is 1.6 times higher than that of men while also being less likely to advance to management (OECD, 2021b). In fact, in 2020, women earned 20.4 per cent less than their male counterparts, 47.1 per cent of women did not have their own income, and three out of ten employed women received an income less than or equal to the minimum wage (INE, 2020).

Despite the significant progress that women in Chile have made in accessing higher education, they remain notably underrepresented in STEM fields. "The future of work is changing. Existing jobs are being modified and new ones are emerging at the frontiers of our economies, which require knowledge and skills in science, technology, engineering, and math (STEM)" (Alam and Sanchez Tapia, 2020). In 2019, 44 per cent of Chilean women between 18 to 24 years old attended higher education compared to 38 per cent of men (Kim and Celis, 2022). However, in 2020, only 32 per cent of the people who work in science and technology in Chile were women (Marca Chile, 2021). This results in two types of inequalities, horizontal and vertical; horizontal because of the substantial gaps in women's training for relevant scientific and technological careers in the country, and vertical because this leads to a lack of women in high scientific or professional leadership (Delgado *et al.*, 2021).

Figure 1: **Average amount of time devoted to paid and unpaid work by persons over 15 years of age, by sex** (hours per week)



Source: Economic Commission for Latin America and the Caribbean (ECLAC) Gender Equality Observatory for Latin America and the Caribbean, available at https://oig.cepal.org/en. For latest available data (average hours per week).

Against this background, complementary national policies regarding women's access to finance, as well as women's participation in information and communications technologies, and in STEM fields are crucial to reverse this trend. Thus, gender provisions in trade agreements oriented at promoting female entrepreneurship, conducting gender-based analysis, and advancing care policies, not only contribute to the fulfillment of international commitments ratified by Chile regarding gender equality, but also foster international cooperation activities aimed at tackling the different needs of women throughout their export process (Otero, 2022).

The ever-changing challenges of international trade have pushed Chile to innovate its trade strategy to make economic strides towards equality through inclusive trade policy. Chile considers the key role of gender equality as a cross-cutting issue in policymaking. This was a positive incentive to include the gender perspective in the development of Chile's trade policy (López *et al.*, 2019).

The increasing incorporation of gender perspective in trade policy, either through general provisions, specific chapters, or by mainstreaming a gender perspective into the trade disciplines themselves, is considered to have a positive impact on women participation in Chilean exports. In 2018, there were 426 companies led by women and in 2020, this number increased to 472. Considering that 93 per cent of the firms' exports go to countries with which Chile has signed FTAs, continuing the development and implementation of comprehensive gender mainstreaming mechanisms in trade agreements, and promoting their use in bilateral, regional, and multilateral negotiations, is essential to the Chilean economy (SUBREI/PROCHILE, 2021).

The first gender provision in Chilean trade agreements can be traced back to 1997 with the Canada–Chile FTA. It included two of said provisions, one concerning the elimination of discrimination in employment and another one related to equal pay (Pavese, 2021). In 2014, with "a progressive agenda with special emphasis on gender equality" (López *et al.*, 2019), Chile continued pioneering the use of trade policy as a way of enhancing its economic growth.

As a result, in 2016 with its FTA with Uruguay, the country became one of the architects of the first-ever specific gender chapter in an FTA worldwide. This chapter served as a template for future gender chapters in its FTAs with Canada (2017), Argentina (2017), Brazil (2018), Ecuador (2020), and current FTA negotiations with Paraguay and the European Union (Otero, 2022). Nonetheless, the inclusion of gender provisions is highly heterogeneous, as it responds to the specific interests and backgrounds of the countries involved at the time of the negotiation.

For example, the ongoing modernization of the trade part of the 2002 Chile–EC Association Agreement proposes setting up an interregional trade and gender committee, oriented at performing functions related to accountability, transparency, advisory, coordination and facilitation of cooperation on joint gender equality strategies that could be incorporated into their cooperation framework (Pavese, 2021). If included, this would be the first time a trade agreement has institutional arrangements oriented at complying with the international commitments of the 2030 Agenda and the Convention on the Elimination of All Forms of Discrimination against Women, as well as the design of improvement programmes, training and studies, among other aspects, aimed at increasing the participation of women in foreign trade (Hernández, 2022).

Overview of the perception of gender provisions in trade agreements perceived by women who export from Chile

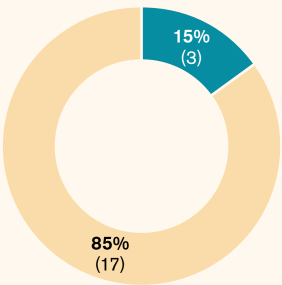
A qualitative methodological approach was utilized to get an overview of the perception of gender provisions in trade agreements perceived by Chilean women exporters. In total, 20 interviews were carried out (see Table 1 for the interview structure). Table 2 shows that 15 per cent of the participants were male and 85 per cent were female. Among them, there were public officials, women who export from Chile, academic experts on gender and trade, and foreign women exporters.

Table 1: Interview structure

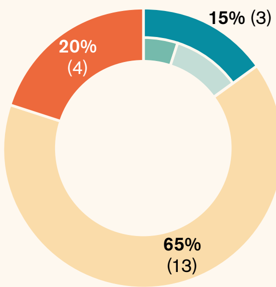
Interviewees	Questions asked
Women who export from Chile	• How do you perceive FTAs? • Do you consider that FTAs have helped you enhance your exporting process? • How do you perceive the inclusion of gender perspective in FTAs? • How do you perceive gender-related barriers when exporting from Chile? • How do you perceive the inclusion of gender provisions in FTAs? • What gender-related barriers does having a gender perspective in trade agreements solve for you? • Have you ever exported to Uruguay, Canada, Argentina and/or Brazil? If so, do you notice any ease or difference between trading with these countries versus others without gender provisions in their FTA with Chile?
Academic experts on gender and trade	• Is there a linkage between trade and gender? • Can FTAs be used for reasons beyond opening markets? If so, should they? • How do you perceive the inclusion of gender provisions in Chile's FTAs? • What are the main challenges in implementing gender provisions in FTAs?
Public officials that work in gender and trade affairs	• Do you believe gender and trade are interconnected? If so, how do you perceive such the linkage? • What is your perception on the inclusion of gender provisions in Chile's FTAs? • What are the main challenges in implementing gender provisions in FTAs? • Are you aware of the current effects of Chile's gender provisions in its FTAs? If so, how do you perceive them? • Should Chile continue to incorporate gender provisions in its FTAs?

Table 3: Sample demographics of the 20 interviewees

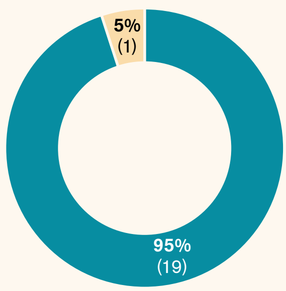
Gender	Sector	Nationality



■ Male
■ Female



■ Public
(■ High-level officials 1)
(■ Mid-level officials 2)
■ Private
(Women who export from Chile 13)
■ Academia/international organization



■ Chilean
■ Foreigner

Results

Chilean women exporters

Results found that 100 per cent of women exporters had previous knowledge of FTAs and had a positive perception of them. This is mostly due to FTAs being largely understood as a boosting component to the internationalization process of their business. Further, they are perceived as necessary tools to improve their access to markets abroad with favorable conditions, such as low or no export tariffs.

Regarding gender perspective, 100 per cent of women exporters reported having a positive perception towards it. Over 80 per cent of them perceive it as a tool for allowing men and women to have an overall equal standing in society, while others were more specific and related it to the core of the development of the necessary public policies to ensure equality among sexes.

Moreover, while Chile has been active in removing trade barriers and facilitating the integration of women into international trade at a bilateral, multilateral and regional level, most women who export from the country are not aware of this. In fact, 75 per cent of women exporters interviewed stated that they did not have a clear understanding of what gender provisions in trade agreements were or had any idea of the possible implications they could have on their business. They do not perceive any difference when exporting as women compared to their male counterparts. This can be interpreted either as a lack of gender discrimination in trading, a normalization of gender discrimination practices in trading or a lack of impact made by gender provisions in addressing possible gender gaps through trade policy, amongst others. Thus, the generalized perception regarding gender provisions in Chilean trade agreements was overwhelmingly neutral mostly due to a lack of awareness of their impact.

Regarding gender-related barriers, 54 per cent of the Chilean women exporters that were interviewed pointed to reducing tariffs as one of the main benefits they perceived in Chile's FTAs. However, while the liberalization of trade can have a gendered effect, women exporters indicated that they perceived similar benefits from other FTAs that did not include gender provisions. The rest reported facing no specific gender-related barriers when trading.

Only three of 13 women who export from Chile that participated in this study indicated having exported to either Uruguay, Canada, Argentina or Brazil. Canada's market was reported as the easiest to access. On the contrary, both Brazil and Argentina were reported as having protectionist policies that detrimentally increased the cost of accessing their market to the extent that it was not profitable.

Academic experts on trade and gender

Two highly distinct approaches to the possible trade and gender linkage were found. While 75 per cent of the academic experts on trade and gender agreed that trade has a direct relation with gender and therefore cannot be neutral to it (and vice versa), the other interviewee indicated a lack of sufficient systematic information that could provide enough evidence to prove that there is indeed a linkage between trade and gender.

The use of FTAs for reasons other than increasing access to the international market was highly contested by one of the academics interviewed. On the one hand, the majority agreed that trade policy is a positive and effective way to promote public policies geared towards global sustainable development. It was argued that by expanding its scope, FTAs can encourage governments to include issues, such as environmental protection, gender equality or human rights, in their foreign policy agenda. On the other hand, it was argued that whilst that might be true, the use of trade policy to influence other national legislation could undermine the democratic principles of free trade. Especially considering that, more often than not, the citizens of the country that is considering joining a FTA, tend not to participate in the decision-making process on trade-related matters.

The use of trade policy for international cooperation and the inclusion of gender provisions in Chile's FTAs was positively perceived by 100 per cent of the interviewees.

The overall main challenges perceived by the interviewees in implementing gender provisions in FTAs were the following:

- the limited level of ambition of gender chapters;
- the lack of homologation of standards regarding women's rights;
- the impossibility of resorting to FTA dispute settlement mechanisms;
- the lack of established indicators able to measure the gender provisions in trade agreement's impact ex ante and ex post implementing the FTA;
- the decision-makers authorities lack general understanding in the matter and the slow development of binding gender provisions in trade agreements.

Public officials

There is a consensus among Chilean public officials that there is indeed a deep interconnection between gender and trade. Thus, the use of FTAs in matters other than increasing access to various markets is widely accepted and positively perceived.

All three in the sample had a positive perception regarding the inclusion of gender provisions in Chile's FTAs. However, there is a lack of awareness regarding the impacts of these. Nonetheless, there was a consensus that their impact will be better perceived in the future rather than presently, largely due to its recent incorporation and proliferation in international trade.

There are two main challenges identified in the implementation of gender provisions in Chilean trade agreements: the limited budget assigned; and the lack of expertise regarding these issues in the decision-making process. To counteract this, one interviewee suggested mandatory permanent training in international trade, gender and negotiation through a private–public partnership.

The effects of Chile's gender provisions in its FTAs are perceived positively, however, among the interviewed, it remains unclear to what degree they are currently effective in tackling gender gaps through trade policy implementation.

Public policies and programmes oriented at promoting the incorporation of women in international trade, such as *Mujer Exporta*, are highly regarded. However, 80 per cent of the sample suggested intense research and deep cautiousness in their design and implementations to ensure it does not become a barrier to trade. In this context, continuing with the incorporation of gender provisions in Chilean FTAs was positively perceived.

Chile's FTAs with Uruguay, Canada, Argentina and Brazil are positively perceived. However, the effect of the gender provisions in their FTAs remains unclear and is not perceived as significant by 50 per cent of the officials interviewed.

As seen in Box 1, women who exported from Chile were not familiar with gender provisions in trade agreements. However, they perceived them as a viable way to tackle gender inequality and promote their business. There were differing interpretations of the complexity of legislating through trade agreements by the academics that were interviewed, as some perceived that the link between gender and trade had not been demonstrated with sufficient statistics. Also, there was a high concern regarding the possible friction it could cause with countries' sovereignty.

Box 1: Main ideas from interviews regarding the inclusion of gender provisions

Women who export from Chile

- There is no clear differentiation when exporting as a woman from Chile compared to a man nor when exporting to countries with or without gender provisions in their FTA with Chile.
- FTAs are perceived positively as an opportunity to internationalize local businesses without disregarding the local market.
- The gender perspective is perceived positively.
- Gender provisions in trade agreements are not widely understood nor known in the exporting community.
- Brazil and Argentina have policies regarding the textile industry that works as a barrier to accessing their markets.

Academic experts on trade and gender

- There is no complete consensus on the linkage between trade and gender.
- FTAs can be used for reasons beyond opening markets. This can be perceived positively and negatively.
- The inclusion of gender provisions in Chile's FTAs as well as the use of trade policy in international cooperation are perceived positively.
- There are several challenges perceived in implementing gender provisions.

Public officials

- The interconnection between gender and trade is perceived positively as well as the inclusion of gender provisions in Chile's FTAs.
- The limited budget assigned to the matter, and the higher authorities' overall lack of expertise in the issue are perceived as the main challenges.
- Chile's gender provisions in its FTAs are perceived positively as well as the country's trade with Uruguay, Canada, Argentina and Brazil.

Finally, public officials pointed at the restricted budget assigned and lack of expertise in these matters amongst decision-making authorities, as the main challenges to effectively implement gender provisions in trade agreements. More work should be directed to capacity building.

Final remarks

There is extensive literature that accounts for the linkage between trade and gender as evidenced by the differentiated effect it has on both genders attributable to the different roles they occupy in society and the economy. Gender gaps in employment, education and the uneven distribution of care work can be taken as testimony to this.

The liberalization of trade can be used as a tool for promoting economic growth, but it must be designed and implemented cautiously. Ergo, adopting an intersectional and gender lens approach within public policymaking is required to prevent reinforcing gendered barriers to trade.

Chile is an avid participant in bilateral, regional and multilateral efforts aimed at promoting women's equality and empowerment. Its experience with gender-sensible trade regulation can be traced back to the 1990s, and it has championed specific gender chapters in trade agreements since 2016. With the modernization of the trade part of the existing Chile–EC Association Agreement, the most ambitious gender provisions in trade agreements will be implemented.

However, the implementation of gender provisions is just beginning, and their contribution to gender equality through trade can only be assessed in a few more years, as women who export from Chile continue to face barriers that prevent them from enjoying the same benefits derived from trade as men.

This study demonstrates that women who export from the country remain largely unaware of gender provisions in trade agreements, and the potential benefits that can derive from them. This leaves them susceptible to missing out on the opportunities that trade can offer regarding the roles they occupy in society and the economy. Thus, it becomes clear that acknowledging the role of gender equality as a cross-cutting issue in policymaking is not enough if not accompanied by public policies dedicated to keeping the general population interested and informed regarding this issue. The benefits that FTAs could have over the gender gap should have more outreaching this should be a joint task between private, public, academia and international organizations.

There seems to be a blatant disconnection between Chile's actions regarding trade and gender policy at the multilateral level and day-to-day effects perceived by its population. Furthermore, while the general perception of women exporters from Chile regarding gender provisions in trade agreements proved highly positive, the concept itself and its results are widely unknown.

More research could be oriented to develop an adequate traceability system capable of tracking the gender provisions in trade agreements and its effects. Alongside a state-marketed campaign oriented at actively keeping the general public engaged. Designing the support programmes with more collaboration strategies amongst women exporters, so they can share problems and solutions. This could be used to counterbalance the current disconnection between the policies that the country is taking at the international level and the day-to-day life effects on its population.

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Gender equality and women's empowerment in the African Continental Free Trade Area:

What lessons can be learnt from the SADC?

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Abstract

The Agreement Establishing the African Continental Free Trade Area (AfCFTA Agreement), which has been signed by 54 out of the 55 African countries, seeks to create a single continental market for goods and services and facilitate the free movement of people on the continent thereby enhancing the competitiveness of intra-African trade and boosting intra-African trade. This will generate employment and improve the welfare of mostly young men and women on the continent. However, whilst the AfCFTA Agreement, under Article 3(e), emphasizes that one of the general objectives of the AfCFTA is to promote gender equality, experiences in other African regional economic communities have proven that gender and gender equality have not been adequately mainstreamed in implementing free trade areas, which has resulted in gender inequalities in international trade and commerce. As a result of this, the majority of women have been left marginalized in trade and faced with serious challenges in accessing opportunities created by regional trade agreements.

This chapter seeks to examine the potential of the AfCFTA to promote gender equality and women's empowerment in Africa given the fact that the empowerment of women is a critical component of gender equality. Using secondary data sources, it draws from experiences of the Southern African Development Community (SADC) in mainstreaming gender in regional trade agreements in order to proffer recommendations for the AfCFTA. The concepts of gender equality, gender mainstreaming and trade liberalization are utilized for conceptual analysis. This chapter presents seven key recommends and lessons that the AfCFTA may draw from SADC experiences in promoting gender equality and women's empowerment in trade. These recommendations are key in presenting possible options for implementing gender-sensitive measures and strategic interventions that address the differentiated implications of the AfCFTA on both men and women such that the AfCFTA delivers more transformative, inclusive and sustainable economic growth and development in Africa.

Introduction

The Agreement Establishing the African Continental Free Trade Area (AfCFTA Agreement), which entered into force on 30 May 2019, seeks to create a single continental market for goods and services across the 55 states that make up the African Union. Whilst there were delays in reaching the implementation phase of the AfCFTA, mainly due to the effects of

COVID-19, which disrupted trade negotiations, trading under the AfCFTA finally started on the 1st of January 2021, although commercially meaningful trade is yet to commence.

One of the most fundamental aspects underscored in the AfCFTA is the explicit recognition of the importance of gender equality as a vital cog in ensuring that the key objectives of the AfCFTA in decent job creation, reduction of inequalities and promotion of sustainable and inclusive development are attained. As African countries prepare to trade under the AfCFTA Agreement, it is of paramount importance for all countries to mainstream gender equality and women's empowerment in their trade and investment in the AfCFTA. Drawing from experiences of the SADC in mainstreaming gender in regional trade agreements, this chapter seeks to critically examine the potential of the AfCFTA to promote gender equality and women's empowerment in Africa given the fact that the empowerment of women is a critical component of gender equality.

The AfCFTA: objectives, estimated impacts and implementation status

The AfCFTA, which is one of the flagship projects of the First Ten-Year Implementation Plan (2014-2023) under the African Union's Agenda 2063 that has been identified as key in accelerating the economic growth and development of Africa, was launched in March 2018 at the Extra-Ordinary Summit of the Assembly of AU Heads of State and Government in Kigali, Rwanda. It is a framework agreement that seeks to progressively reduce and ultimately eliminate tariff and non-tariff barriers (NTBs) to trade on goods and services in Africa.

The idea is to create a single and unified continental market for goods and services which lays the foundation for the establishment of a continental customs union, as well as facilitate the free movement of persons, capital, labour and investments (AfCFTA Agreement, Article 3). Central to the AfCFTA is the desired goal to expand intra-African trade through harmonizing and coordinating trade liberalization and trade facilitation on the continent and also enhance the competitiveness of industries and businesses in Africa through the utilization of opportunities for scale production, wider market access and more efficient resource allocation. This is part of the milestones agreed by AU member states as reflected in the Abuja Treaty Establishing the African Economic Community of June 1991, which entered into force on 12 May 1994.

Several empirical studies have attempted to estimate the AfCFTA impact using simulation models such as computable general equilibrium models and partial equilibrium models. These have pointed to the fact that the AfCFTA will significantly increase intra-African trade by between 33 per cent and 52.3 per cent from the current levels below 16 per cent (UNCATD, 2019; UNECA, 2018). At less than 16 per cent, intra-African trade is far lower compared to other regions such as North American Free Trade Agreement (47 per cent), Asia (61 per cent) and Europe (67 per cent) (UNCTAD, 2019). Empirical studies by the United Nations Economic Commission for Africa (UNECA, 2018) established that the AfCFTA – covering 54 states with a combined 1.2 billion people (expected to reach 2.5 billion by 2050) and making up US$ 2.5 trillion GDP – will increase the value of intra-African trade by between 15 per cent (US$ 50 billion) and 25 per cent (US$ 70 billion) in 2040 compared to a situation with no AfCFTA in place.

> With 54 members, the AfCFTA becomes the world's largest free trade area since the formation of the WTO in 1995.

The elimination of both tariffs and NTBs – through the Online NTBs Reporting, Monitoring and Eliminating Mechanism – as envisaged under the AfCFTA will also help to facilitate smooth trade and vastly benefit African economies. The United Nations Conference on Trade and Development (UNCTAD) study concluded that whilst African countries could gain US$ 3.6 billion per year by completely removing applied tariffs, they however stand to gain US$ 20 billion annually by eliminating NTBs (Vanzetti *et al.*, 2018). Other instruments of the AfCFTA such as the Pan-African Payment and Settlement System (PAPSS) – being implemented in collaboration with the African Export–Import Bank – which seeks to facilitate timely processing, clearing and settling of intra-African trade and commerce payments, will address issues of currency convertibility challenges. The African Trade Observatory, on the other hand, will provide a portal for African trade information and trade statistics which is key for trade policymaking, and identification of markets for goods and services (Apiko *et al.*, 2020).

In terms of implementation status, the AfCFTA has now been signed by 54 out of the 55 AU member states[1]. With 54 members, the AfCFTA becomes the world's largest free trade area since the formation of the WTO in 1995. AfCFTA entered into force on 30 May 2019 after 24 countries ratified it. This is in line with Article 23 of the AfCFTA Agreement, which states that it enters into force 30 days after ratification by 22 parties. As of 20 February 2023, a total of 46 countries out of the 54 signatories, have ratified the AfCFTA Agreement (AfCFTA Secretariat, 2023a). The operational phase of the AfCFTA was launched in July 2019, which included the launch of the five operational instruments that will govern the AfCFTA. The five operational instruments are the rules of origin (which governs the conditions and criteria used to confer the origin status of products), the Online Negotiating Forum (an online platform for tariff concessions and negotiations by parties), the AfCFTA Online NTBs Reporting, Monitoring and Eliminating Mechanism (a virtual platform for reporting, monitoring and resolving NTBs), PAPSS (a digital system to facilitate timely processing, clearing and settling of intra-African trade and commerce payments) and the African Trade Observatory (a portal for African trade information and trade statistics).

The AfCFTA negotiations were structured into three phases. Phase One negotiations focused on the framework agreement establishing the AfCFTA and negotiations on trade in goods and services as well as dispute settlement. Phase Two negotiations were dedicated to negotiations on investment, competition policy and intellectual property rights, whilst Phase Three will focus on digital trade, women and youth in trade. Although it was envisaged that Phase One negotiations would be concluded by July 2020, whilst Phase Two negotiations would be complete by June 2021; and Phase Three negotiations to commence in the end, there were delays in negotiations which were worsened by the outbreak of COVID-19, which restricted both domestic and international travel due to national lockdown measures implemented by almost all African countries. As of October 2022, the negotiating institutions had agreed rules of origin that cover approximately 87.7 per cent of total tariff lines, with outstanding rules of origin being those for sugar, textiles and clothing and automotive products (Trade Law Centre, 2022). The aim is to liberalize 90 per cent of tariff lines over five years, and least-developed countries will have to implement their agreed tariff reductions over ten years. In terms of tariff offers, 43 tariff offers have been submitted by members of the Economic Community of West African States (ECOWAS), the Southern African Customs Union (SACU) and the Economic and Monetary Community of Central Africa (CEMAC), and other individual countries, with the other AfCFTA parties now at an advanced stage of submitting their tariff offers (Trade Law Centre, 2022).

With regard to negotiations on trade in services, whilst AfCFTA members are expected to offer commitments in services sectors through schedules of specific commitments and develop cross-cutting sectoral regulatory frameworks; a total of 46 states and non-states parties have submitted their offers whilst other countries are at various stages of preparing their offers (Trade Law Centre, 2022). The Online NTBs Reporting, Monitoring and Eliminating Mechanism is now fully operational, whilst PAPSS was officially launched in January 2022 and now comprises eight central banks, 28 commercial banks and six switches, with plans underway to expand into the five regions of Africa by the end of 2023 (AfCFTA Secretariat, 2023b).

As trading under the AfCFTA Agreement officially commenced on 1 January 2021, it is against this background that policymakers need to consider the contribution of trade and trade liberalization envisaged under the AfCFTA Agreement to the promotion of gender equality and women's empowerment, as women are active in trade as small-scale traders, informal cross-border traders, entrepreneurs, workers and consumers. Women make up the largest share of informal traders across the world, and in some countries they represent between 70 per cent and 80 per cent (Zarrilli and Linoci, 2020). Informal cross-border trade in Africa, which represents around 40 per cent of regional trade, is dominated by women and almost 90 per cent of employed women are working in the informal sector (Zarrilli and Linoci, 2020). Women also make up 58 per cent of Africa's self-employed population and women-led businesses account for around 40 per cent of Africa's small and medium-sized enterprises (SMEs).

All in all, around 90 per cent of women in Africa are in informal employment compared with about 83 per cent of men (Popova and Özel, 2018). Women informal cross-border traders and other small-scale traders, as revealed in a study by Zarrilli and Lopez (2020) on women traders in Eastern and Southern Africa, face challenges that include cumbersome border processes, weak governance at border posts, corruption and bribery, harassment, poor border facilities, payment of undue fees, misinformation about customs procedures and regulations, lack of access to capital and assets, and limited entrepreneurial skills and literacy, among others. The AfCFTA will therefore have differentiated impacts on both men and women given the obtaining gendered trends and patterns in production, labour, employment and trade on the continent. An understanding of this background assists to sufficiently contextualize the AfCFTA potential to promote gender equality and women's empowerment on the continent.

“Women make up the largest share of informal traders across the world, and in some countries they represent between 70 per cent and 80 per cent.

Conceptual framework and methodology

In terms of methodology, this chapter utilizes secondary data sources in the form of books, journal articles, analytical pieces, policy briefs, reports from regional economic communities (RECs) – mainly the SADC, the African Union, the United Nations – and other institutions, as it examines the AfCFTA potential to promote gender equality and women's empowerment in Africa. It also makes use of national reports from governments of countries that are SADC members.

The concepts of gender equality, gender mainstreaming and trade liberalization are utilized for conceptual analysis in critically examining the AfCFTA potential to promote gender equality and women's empowerment in Africa.

Gender equality is often traced back to the gender equality movement that began as part of the Western culture in the late 19th century with the suffrage movement (Banaszak, 1996; McCammon *et al.*, 2001; Ramirez *et al.*, 1997; Wheeler and Spruill, 1993). The movement gained momentum and swept across different countries, leaving a trail of significant changes with regard to addressing historical and social disadvantages that prevented women and men from being equal. For instance, the United Kingdom enacted the Married Women's Property Act of 1882, which empowered married women with the rights to own and control property (Ramirez *et al.*, 1997; Wheeler and Spruill, 1993). This gender equality movement gained traction following the rise of gender egalitarianism, which propagated the ideology that men and women should attain equality within the public and private realms of the society, economy and politics (Corrigall and Konrad, 2007; Inglehart, 1997). The movement broadened to fight against traditional and historical barriers that perpetuated unequal access between men and women to opportunities and services such as: workplace remuneration, promotion and benefits; health (such as harmful traditional practices, maternity, sexual and reproductive rights-related discrimination); education; information; and participation in politics and decision-making processes; as well as gender stereotypes, gender biases, gender discrimination and other gender-based constraints.

The post-World War II era saw the gender equality movement gaining currency across the globe, with the United Nations and other international organizations adopting several conventions and declarations that recognized women's rights and promoted gender equality.[2] Gender equality and women's empowerment has been encapsulated in the United Nations Sustainable Development Goals (SDGs) as part of SDG 5, and this cuts across the 2030 Agenda for Sustainable Development. In Africa, the African Union has its Solemn Declaration on Gender Equality in Africa of 2004. It also has the African Charter on Human and People's Rights, which recognizes gender equality and women's rights, and this is reinforced by the Protocol to the African Charter on Human and People's Rights on the Rights of Women in Africa. The continental body also has in place a Gender Policy and Action Plan (2010), Strategy for Gender Equality and Women's Empowerment (2018-2028) and the AU Gender Mainstreaming Strategic Plan.

Whilst gender is generally referred to as the social, economic and cultural attributes and opportunities associated with being female and male, and the social relations between men and women, boys and girls, the UN Women defines gender equality as "equal rights, responsibilities and opportunities of women and men and girls and boys".[3] Thus, gender equality implies that the "interests, needs and priorities of both women and men are taken into consideration, recognizing the diversity of different groups of women and men".[4] On the other hand, gender mainstreaming – which is often argued to have first appeared in international texts after the 3rd UN World Conference on Women, held in Nairobi, Kenya in 1995 – is defined as that process of assessing the implications on men and women of any planned action, including laws, policies, projects and programmes such that the special needs, interests and concerns of both men and women are made integral to the planning, designing, execution, monitoring, evaluation and review of these policies, programmes, projects and plans.[5] This process of gender mainstreaming is often preceded by systematic gender analysis. The object of gender mainstreaming is to achieve gender equality.

There is, however, a conceptual confusion between gender equality and gender equity. The latter denotes targeted and mostly temporary special measures (usually in the form of laws, regulations, policies, programmes or projects) that aim at compensating historical and social disadvantages that prevent men and women from being equal. In essence, gender equity is a means to achieve gender equality. The widespread misconceptions and common myths associated with gender equality and gender mainstreaming has been that these two relate to women, and that they are an end in themselves. Fundamentally, gender equality and gender mainstreaming ultimately seek to empower both men and women by creating a society where men and women have similar opportunities, rights and obligations in all spheres of life such that sustainable, inclusive and broad-based development is attained. When gender inequality exists, women tend to be disempowered, excluded and disadvantaged as economic, social and political players in the society as their access to social and economic resources and opportunities is compromised. Empirical evidence has proven that countries that have more gender equality perform better across socioeconomic development indices (see, for instance, United Nations Development Programme Human Development Reports, 1990-2020).[6]

Within the context of trade and regional integration, gender equality has risen to prominence especially following trade liberalization that is part of economic globalization. Trade liberalization is characterized by the reduction and removal of tariffs, NTBs and other restrictions and barriers to trade in goods and services between states and regions as a result of unilateral, bilateral, regional or multilateral commitments by countries. As part of trade liberalization, measures such as trade facilitation have been put in place in the form of reforms, administrative procedures and policies in order to ensure the smooth flow of trade across borders. It is the gender dimension of trade liberalization that has to be critically examined in any regional trade policy especially considering the traditional and historical background that men and women, especially women as both small-scale, cross-border traders, producers and business owners face special challenges in regional trade (Carr and Williams, 2010; Taneja *et al.*, 2018; True, 2008; Wilson *et al.*, 2005). Both trade liberalization and trade facilitation affect men and women differently; hence, it is prudent not to categorize men and women as homogenous groups. This implies that they have different roles in trade as economic players, consumers, workers, producers, traders, businesspersons and taxpayers within the informal and formal sectors, and in rural and urban settings (Busse and Spielmann, 2006; Joekes, 1999; UNCTAD, 2014).

Gender inequalities often affect trade as both men and women are affected differently by trade bottlenecks such as trade-related and market-related information access restrictions, trade-related infrastructure deficiencies, limited access to resources necessary for production (such

> Trade liberalization brings with it outcomes that may negatively impact on women if not properly managed.

as capital, credit and skills), border restrictions and border delays, cumbersome customs documentations requirements, deficient cargo and transit trade operations, among others (UNCTAD, 2014). Trade liberalization agreements, especially free trade area agreements and customs unions therefore need to be structured in such a way that they consider specific gender-specific constraints and gender barriers faced by both men and women in trade. In the AfCFTA Agreement, Article 7 of the Protocol on Trade in Goods provides for trade liberalization and the progressive elimination of import duties on goods originating from AfCFTA members. Under the Agreement, members have agreed that 90 per cent of tariff lines will be fully liberalized over a ten-year period for LDCs and over a five-year period for non-LDCs, whilst tariff cuts will be phased over ten years for non-LDCs and 13 years for LDCs for an additional 7 per cent of goods. Whilst most trade liberalization schemes aim at removing tariffs and NTBs, as well as other quantitative restrictions to trade so as to boost intra-regional trade, failure to mainstream the gender-specific trade barriers that impede women's access to regional markets as informal and small-scale cross-border traders, entrepreneurs and workers would undermine their benefits from such schemes.

A thorough gender analysis will assist to identify the different effects of trade liberalization on both men and women, and also help to establish how free trade areas can be implemented to promote women's empowerment. Trade liberalization brings with it outcomes that may negatively impact on women if not properly managed such as increased competition from foreign producers; complex preferential tariff regimes for small-scale cross-border traders; expansion of export-focused enterprises that tend to discriminate women in terms of wages, salaries, employment conditions, skills upgrading and placement; and progression of enterprises along the national and regional value chains (RVCs) which may bring with it labour dynamics that may be gender discriminatory in nature (UNCTAD, 2014). All these affect men and women differently. For instance, with trade liberalization, there may be an influx of cheap products, especially agriculture goods, which will affect the agriculture sectors that are mostly dominated by women in Africa, especially considering that women account for around 50 per cent of the labour force in the agriculture sector in Africa (FAO, 2021).

In some instances, local firms are forced to mechanize and automate in order to compete with high-tech producers in the region which ultimately disadvantage women as they are usually discriminated against when they are not provided equal opportunities for skills upgrading to operate high-tech machinery, hence their upward mobility at workplaces is suppressed (Moodley *et al.*, 2019). The same applies to the phenomenon of feminization of labour that has witnessed the increased participation of women in labour markets especially in the export sector due to the universal gender wage gap which results in women being a more attractive workforce as firms desire to maintain low labour costs (Elveren *et al.*, 2017; Gunawardana, 2018; Shehu, 2019; Tran, 2019). This calls for the de-feminization of labour in all export-oriented firms such as clothing, textiles and electronics, among others, by ensuring that there are equal salaries and benefits for both men and women, and also ensuring that there are equal rights, opportunities, conditions, responsibilities and treatment of women in the labour market (Osterreich, 2020). All this is the basis upon which the different African RECs have established protocols and policies to mainstream gender at the state level and at the regional level to promote gender equality and women's empowerment when implementing trade liberalization schemes.[7]

The AfCFTA and its potential impact on gender equality and women's empowerment

It has to be stated from the onset that the AfCFTA Agreement does not have a standalone chapter on gender and trade. The importance of gender equality in international trade and economic cooperation is recognized in the Preamble of the AfCFTA Agreement. Further, Article 3(e) states that one of the objectives of the AfCFTA is to "promote and attain sustainable and inclusive socioeconomic development, gender equality and structural transformation of the State Parties". In Article 27(2)(d) of the AfCFTA Protocol on Trade in Services, there is reference to "improving the export capacity and informal service suppliers, with particular attention to micro, small and medium-size, women and youth service suppliers".

Thus, whilst there are no explicit gender provisions in the AfCFTA Agreement, several provisions of the Agreement are key in promoting gender equality in trade and facilitating the empowerment of women in trade. For instance, provisions relating to customs cooperation, trade facilitation, elimination of tariffs and NTBs to trade, provision for sensitive and excluded products, removal of technical barriers to trade and management of sanitary and phytosanitary (SPS) measures in trade, technical assistance and capacity building of traders. In addition to this, the implementation of other instruments of the AfCFTA such as the PAPSS and the African Trade Observatory all play crucial roles in both addressing the serious barriers faced by women. Specifically, women-owned SMEs and informal business are crucial in the production of goods and services, identification of regional markets, clearance of imports and exports at ports of entry, as well as other ventures that assist both men and women to take advantage of economic opportunities that arise in the implementation of the AfCFTA.

Given the nature of its objectives, scope of the agreement and consideration of gender equality as key to inclusive and sustainable development, the AfCFTA has vast potential to promote gender equality and women's empowerment through addressing women's empowerment constraints and gender inequalities in Africa. First, the AfCFTA can address the prevalent gender inequalities in the agriculture, manufacturing and services sectors on the continent. For instance, the African Development Bank (AfDB, 2015) revealed wage gaps between men and women in African rural areas to be between 15 and 60 per cent as a result of exclusions

> "Whilst there are no explicit gender provisions in the AfCFTA Agreement, several provisions of the Agreement are key in promoting gender equality in trade and facilitating the empowerment of women in trade.

and disadvantages that women face in accessing capital, land, labour and technology. Studies by UNECA (2020a) revealed that the AfCFTA will increase intra-African exports of agriculture and food products by 20-35 per cent (or US$ 10-17 billion), particularly in the export sectors of meat, milk and dairy products, sugar, tobacco and beverages, vegetables, fruits and rice. These are products from agri-business and agro-industries in which women are predominant labour providers.

The AfCFTA will enhance intra-African trade and attract investments into these sectors, whilst also facilitating RVCs in the agriculture sector, which will also impact differently on women. However, studies have indicated that women face less favorable employment conditions than men and hold jobs with greater insecurity than men (UNDP, 2020). At the same time, the wages and salaries of men and women are affected differently not only as firms progress up the RVCs, but also when output expands in labour-intensive industries. For instance, studies have shown that female wages grow faster when output expands in female labour-intensive industries (see FAO, 2016). Therefore, ensuring gender equality and women's empowerment in implementing these RVCs as part of the AfCFTA is fundamental especially considering that jobs created in global value chains have been argued to be problematic in that they dismantle gendered job segregation and stereotypes (Bamber and Staritz, 2017). The SPS measures, which are common in the importation and exportation of agricultural products, will also assist to remove technical barriers to trade for women traders if these are designed and implemented appropriately.

The AfCFTA is also earmarked to enhance foreign direct investment (FDI) prospects on the continent which will then assist to promote women's empowerment in Africa through improving women's access to trade opportunities, capital, technology, export capacity and skills for business. Of course, African countries must foster FDI–SMEs ecosystems such that FDI-benefiting firms and SMEs are interlinked to the extent that it increases the productivity and innovative capacity of SMEs through technology and knowledge transfer and presenting opportunities for penetrating regional and international markets. It is the ability of African countries to support FDI-women-owned SMEs ecosystems and facilitate preferential procurement for such businesses that will ensure that the AfCFTA will impact on gender equality and women's empowerment. Related to this is the potential of the AfCFTA to boost production in export processing zones (EPZs) of different countries, for this to increase intra-African trade. Whilst it has been noted that women account for the majority of EPZ employees (50-90 per cent), employment in EPZs has been considered to be "double-edged for women", since EPZ factories are usually harsh, especially for vulnerable women and that women jobs in these factories (up to 90 per cent in some sub-Saharan African countries) are mostly concentrated in low-paid and unskilled categories (Avsar and Linoci, 2017). The AfCFTA has the potential to address this through enhancing industrial development which mainstreams gender and ensures that historically disadvantaged women are trained to attain higher skills and competences.

The AfCFTA can also potentially affect women in the services sector at a time when women and men account for 50 per cent and 43 per cent employment in the services sector respectively, across the globe (UNECA, 2020a). In fact, services account for a large share of women's employment in SMEs. A study by the World Bank and WTO (2020) finds that by 2035, wages for skilled and unskilled female labour would be 4 per cent and 3.7 per cent higher compared to a 3.2 per cent increase for all males. Whilst the AfCFTA has the potential to liberalize services trade and generate employment and income for women, there is need to mainstream gender in implementing the AfCFTA Agreement such that traditional and emerging gendered constraints in the services sectors are fully resolved. For instance, the prevalent gender segregation in trade in services, which has seen women increasingly occupying jobs in low paying jobs in hotels, restaurants, hairdressing, and community services with few of them occupying higher paying jobs in business and professional services, communication services, and other sectors, has to be addressed. Other challenges, highlighted by Lipowiecka and Kiriti-Nganga (2016), such as horizontal and vertical labour segregation, concentration of women in non-standard employment forms, persistence of wage gaps, lack of maternity entitlements, limited access to capital and productive resources, information asymmetry, lack of access to markets and business networks, skills deficiencies and gender stereotypes, all warrant attention in the implementation of the AfCFTA, especially the AfCFTA Protocol on Trade in Services, in order to promote gender equality and promote women's empowerment.

SADC experiences on gender equality and women's empowerment in trade

Since its formation as the Southern African Development Coordination Conference in April 1980, and later transformation to the SADC in August 1992, the regional body has formulated policies, plans and programmes for regional integration so as to support economic growth and sustainable development across all its members (SADC, 2022). Just as other regional integration schemes elsewhere, the SADC set out a regional integration agenda that seeks to integrate its market, boost intra-regional trade, facilitate deeper monetary cooperation, attract FDI into the region, enhance the industrial capacity of members and improve the competitiveness of its economies (SADC, 2022). In terms of trade liberalization, the SADC has been implementing a trade liberalization agenda that seeks to open regional markets to international trade through the reduction of tariff and NTBs to trade. This has been facilitated through the enactment of the SADC Protocol on Trade (1996, amended in 2020), the SADC Protocol on Trade in Services (2012), the SADC Protocol on Finance and Investment (2006), the SADC Regional Indicative Strategic Development Plan (RISDP, 2005-2020), the SADC RISDP (2020-2030), and the SADC Vision 2050. The SADC also formulated the SADC Gender Policy (1997), created a standalone Gender Unit within the SADC Secretariat, adopted the SADC Gender Mainstreaming Toolkit (2009) and also formulated the SADC Regional Multi-Dimensional Women's Economic Empowerment Programme (RMD-WEEP, 2018-2030) to promote women economic empowerment and gender-responsive development in the region.[8] Thus experiences in the SADC since it started implementing its trade liberalization agenda following the adoption of the SADC Protocol on Trade in 1996, set out to mainstream gender in trade and regional integration in such a way that promoted women's empowerment and gender equality.

All these have been developed as instruments to attain the SADC regional integration and trade liberalization agenda, which prioritized the establishment of the SADC Free Trade Area (SADC FTA) by 2008, the SADC Customs Union by 2010, the SADC Common Market by 2015 and the SADC Monetary Union, Single Currency and Economic Union by 2018. However, as of December 2020, the SADC was still at the stage of consolidating the SADC FTA, with all but three members participating in the free trade area.[9] In all this, gender mainstreaming has been emphasized by the SADC, as reflected in the SADC Protocol on Gender and Development (2008), the SADC RISDP and the SADC Common Agenda. Article

> The SADC records the highest intra-REC trade when compared to other regional organizations in Africa, and women are crucial players in this regional trade.

17 of the SADC Protocol on Gender and Development obligates members to review national policies to ensure gender equality and gender responsiveness, including trade policies that create equal opportunities for men and women in trade and entrepreneurship; whilst Article 5 of the Protocol obliges SADC members to introduce affirmative action measures for women to benefit equally from economic opportunities. In addition to this, the SADC Common Agenda include gender mainstreaming as one of the key priorities and principles that should guide the regional integration agenda. In implementing its trade liberalization, tariff phase down and removal of NTBs to trade in goods and services under the SADC FTA, the regional body has recorded successes and challenges in promoting gender equality and women's empowerment in trade.

The SADC records the highest intra-REC trade when compared to other regional organizations in Africa, and women are crucial players in this regional trade. Since 2013, there has been an increase in intra-SADC trade above 20 per cent compared to the pre-SADC FTA period where intra-SADC trade was growing at around 16 per cent (SADC, 2019). By 2019, intra-SADC exports of goods were US$ 34.8 billion whilst intra-SADC imports were US$ 32.6 billion (SADC, 2020a). Intra-SADC FTA trade accounts for 23 per cent of the SADC's total trade with the world, and 81 per cent of its trade with other African countries outside the SADC (Gitau, 2020). The value of trade conducted by women in the SADC is estimated at around US $20 billion per year (Southern Africa Trust, 2020). At least 70-80 per cent of informal cross-border traders in the SADC are women, surviving on importing goods from neighbouring countries for resale, at a time when informal cross-border trade accounts for 30-40 per cent of intra-SADC trade (Southern Africa Trust, 2020). In other SADC members, women account for over 80 per cent of informal cross-border traders. For instance, in the Democratic Republic of the Congo, 85 per cent of traders are women (AUDA–NEPAD, 2018). Even in terms of production, women contribute over 60 per cent towards the total food production in the SADC, in some SADC members women perform more than 70 per cent of agricultural work (SADC, 2014). The study by the Southern Africa Trust (2020) finds that over 60 per cent of households in the trade sector are headed by single, widowed and divorced women.

This reality has motivated the SADC, collectively and individually as members, to design measures and interventions meant to promote gender equality and promote women's empowerment in implementing its trade liberalization agenda and intra-regional trade in goods and services. First, the SADC has been implementing various programmes to address gendered challenges faced by traders, producers and entrepreneurs in all members. The SADC developed a Draft Protocol on the Facilitation of Movement of Persons in 1992 (amended in 2005) which will definitely complement the existing SADC Protocol on Transport, Communications and Meteorology, and the SADC Protocol on Trade in Services in facilitating the progressive elimination of obstacles to free movement of people across members, including the relaxation of visa regimes for SADC nationals. The challenge, however, has been the slow pace in ratifying the instruments. For instance, the Draft Protocol on the Facilitation of Movement of Persons seeks to eliminate obstacles to the free movement of people in the region, has been ratified by only six out of the 16 SADC members – Botswana, Eswatini, Lesotho, Mozambique, South Africa and Zambia (Migration Data Portal, 2020). However, if the instruments are implemented, these will address the immigration-related challenges that traders, especially women who are the majority of informal cross-border traders, often face in the SADC. In the SADC, the immigration-related challenges that cross-border traders face relate to them being allowed limited days in recipient countries by immigration authorities, expensive visa application fees and soliciting of bribes by immigration authorities when their travel documents have complications (Peberdy *et al.*, 2015).

The SADC Trade Facilitation Programme (TFP) is also being implemented by the SADC since adoption in 2016 to facilitate the simplification, standardization, harmonization and modernization of international trade (import and export) procedures with a view to reduce trade transaction costs through improved efficiency in trade processes. The SADC TFP has involved activities, practices and formalities related to collecting, presenting, communicating and processing data required for the exportation or importation of goods in international trade as well as the improvement of transport infrastructure, removal of government corruption, the modernization of customs administration, the removal of other NTBs and implementation of different measures that facilitate smooth trade. The SADC has partnered with different organizations, including the European Union, to implement the SADC TFP from 2019-2025, through the €15 million facility provided under the 11th Economic Development Fund (SADC, 2020b).

As part of trade facilitation measures, the SADC has also made progress in developing a Simplified Trade Regime (STR) Framework which will simplify customs processes and procedures for small-scale traders (SADC, 2020c). STRs, which are provided for under Article VIII of the General Agreement on Tariffs and Trade (GATT) and the World Customs Organization (WCO) International Convention on the Simplification and Harmonization of Customs Procedures (Revised Kyoto Convention), are arrangements by members in a regional integration scheme to simplify trade processes of clearing selected goods for small-scale and informal cross-border traders such that they use a simplified customs document, a simplified certificate of origin and benefit from the regional preferential treatment when trading in the region (COMESA, 2016). This will also reduce their transaction costs thereby boosting their business performance and returns. As of December 2022, the SADC had finalized the list of products that qualify under the STR following consultations with all the relevant stakeholders (Mudzingwa, 2022). Experiences in Common Market for Eastern and Southern Africa (COMESA), where a COMESA STR has been implemented, informal cross-border traders have benefited through improved knowledge and information on trading requirements,

> **The immigration-related challenges that cross-border traders face relate to them being allowed limited days in recipient countries by immigration authorities.**

use of simplified customs documents and processes at border posts, reduced costs and time taken to clear goods and process tax refunds. Over and above the STR, the SADC is also making progress in introducing an SADC Electronic Certificate of Origin (e-CoO) Framework that will allow traders to electronically apply for certificate of origin which will also quicken customs clearance processes at border posts. The SADC e-CoO Framework was launched in September 2022, whilst SADC members are now implementing the Real Time Gross Settlement System (RTGS) for quicker and more efficient transactions and payments (SADC, 2020c; WCO, 2022).

The simplification of trade rules and procedures, and harmonization of customs and border procedures benefit women entrepreneurs and women informal cross-border traders, as they will no longer face the burden of going through numerous trade documentation and other technical regulations and procedures at border posts, airports or sea ports whilst transparent and operable rules and procedures in trade (customs information on tariffs, duties, charges, among others) assist women entrepreneurs and women informal cross-border traders as they will have access to essential information which assist them in making import and export decisions. In SADC members, most women entrepreneurs and women informal cross-border traders have limited access to this information in simplified form (Blumberg *et al.*, 2016). Although the information is available on official websites of revenue authorities, most women traders do not have access to the Internet to access this and the information is sophisticated for them to grasp (Southern African Trust, 2018).

In order to address the gendered challenges faced by men and women in trade, the SADC has worked on improving the operational flexibility and opening of border posts for longer hours such that traders, women entrepreneurs and women informal cross-border traders do not lose productive time spent at border posts. In the SADC, the Beitbridge Border Post between South Africa and Zimbabwe is open 24 hours, and most airports in the region are also open 24 hours. To complement this, the SADC has been implementing customs efficiency, automated customs data management, immigration efficiency and time-release measures. The SADC Revised Regional Guidelines on Harmonization and Facilitation of Cross Border Transport Operations, which are aimed at easing cross-border transport operations within the region, were approved by the SADC Council in June 2020, whilst the SADC Regional Customs Transit Guarantee (RCTG) Regulations are now being piloted and rolled out along the North–South Corridor and other corridors since April 2022 to facilitate the free movement of goods and remove NTBs to trade, including those that also affect women in trade (see SADC, 2020c, 2022). The SADC Guidelines on Coordinated Border Management (2011) are also key in facilitating the cooperation of different border agencies in managing the smooth flow of traffic and traders, thereby addressing the challenges that women usually face related to harassment by border security, bribery and border delays.

Other border-related trade facilitation measures that have helped to address the gendered challenges of men and women in the SADC include the adoption of the Automated System for Customs Data (ASYCUDA). Some SADC members, such as Angola, Comoros, the Democratic Republic of the Congo, Eswatini, Lesotho, Malawi, Madagascar, Namibia, Seychelles, Zambia and Zimbabwe, are all using the ASYCUDA World, which is an integrated computerized customs management system used for customs administration and electronic clearance of imports and exports.[10] This reduces transaction costs and transaction time whilst enhancing the transparency of transactions for men and women traders. However, on numerous occasions ASYCUDA systems' operational ability is disrupted by connectivity challenges and other technical hurdles which force revenue authorities to manualize, thereby delaying customs clearances and inconveniencing women and women cross-border traders (see Poverello, 2018; WCO, 2020).

Consistent with provisions of the members' obligations enshrined in the SADC Protocol on Gender and Development (2008), the SADC RISDP and the SADC Common Agenda; SADC members are implementing different policy frameworks and measures to address the structural challenges that undermine women's empowerment in regional and international trade. For instance, in the SADC women face challenges in accessing productive resources including land and credit than men (SADC/SARDC, 2016). Thus, whilst women are contributing massively towards enhancing intra-regional trade, border taxes, household incomes, general welfare of consumers and employment creation, they have limited access to land and capital. A World Bank study finds that less than 13 per cent of African women between 20 and 49 years own land compared to 36 per cent of African men (Gaddis *et al.*, 2018). These skewed land ownership patterns in the region, perpetuated by cultural practices, customary laws, politics and deep-rooted stereotypes, result in inequalities that hinder the effective participation of women in business and trade, as they lack collateral to secure capital and credit for businesses. SADC members such as Botswana, Namibia, South Africa and Tanzania have enacted legislations and formulated gender policies that facilitate gender equality in land ownership and distribution.

The advent of COVID-19 has also presented challenges to producers and traders in the SADC, especially women small-scale informal cross-border traders. SADC experiences in addressing such gender challenges are key in providing lessons to the AfCFTA in how trade agreements can be implemented in a way that ensures gender equality and empowerment of women during natural disasters. As of 1 January 2023, the SADC had recorded 5.7 million confirmed cases and 128 000 COVID-19 deaths (Africa Centre for Disease Control, 2023).

The implementation of national lockdown measures, restriction of movement, restrictive trade measures, and closure of businesses, national borders and airports, all affected women and men differently, especially considering the reality that the income for women in the informal sector fell by approximately 60 per cent during the first months of COVID-19 (UN Women, 2020). Most SADC borders were only open for the movement of essential goods and services, following the adoption of the SADC Regional Guidelines for Harmonizing and Facilitating Movement of Critical Goods and Services across the region during the COVID-19 in April 2020. The coordinated border management and collaboration was key to manage disruptions, congestion and delays caused by COVID-19 screening procedures, processes and protocols at border posts, especially at borders between Botswana, Mozambique, Namibia, South Africa and Zimbabwe (UNECA, 2020b). Further, the operationalization of a regional COVID-19 trade and transportation cell also assisted SADC members to implement the regional body's trade and transportation measures (UNECA, 2020b). Besides being affected through the discontinuation of informal cross-border trade in light of COVID-19, women in the SADC were also impacted more since the sectors that they are more concentrated in (agriculture, tourism, hospitality, textile and garments) and informal services sectors were more affected by COVID-19 national lockdown measures. This is because the absence of employment and social protection in most SADC members which is ordinarily provided in the formal sector threatened the livelihoods of women and made them vulnerable to the pandemic (Van der Nest, 2020).

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Lessons and recommendations for the AfCFTA in promoting gender equality and women's empowerment

SADC experiences in promoting gender equality and women's empowerment through trade agreements, specifically through the operationalization of the SADC FTA, presents eight valuable lessons to the AfCFTA Secretariat and AfCFTA members.

First, the SADC case illustrates the need for a solid and comprehensive legal, policy and regulatory framework that will provide a comprehensive basis for the mainstreaming of gender in trade. Since the AfCFTA itself has provisions that recognize the importance of gender equality and women's empowerment in trade, there is need for an institutional mechanism for coordination of gender and trade issues within the AfCFTA Secretariat, as was the case with the SADC. Therefore, the creation of a Gender Unit within the AfCFTA Secretariat is key, as this will assist to coordinate gender initiatives and ensure the implementation of trade-related aspects of gender instruments within the eight RECs of the African Union. In doing this, a fundamental lesson that can be drawn from the SADC experience is the need to move beyond a broader agreement in the form of the AfCFTA and develop a gender-specific protocol. The SADC decided to move beyond the SADC Treaty of 1992 and adopt the SADC Protocol on Gender and Development in 2008 and the SADC Gender Policy of 2007. This is because the gender provisions in the AfCFTA comprise mainly of "may" or "best endeavour" provisions which are very permissive and discretionary as opposed to "shall" provisions that are mandatory and binding often embedded in protocols. Thus, negotiations for the envisaged AfCFTA Protocol on Women and the Youth – which is meant to ensure that women traders and youth entrepreneurs are empowered to optimally trade within the AfCFTA – should be expedited.

Second, the SADC case also underscores the importance of the role of members in formulating gender responsive national-level trade and trade facilitation policies and measures that mainstream gender and ensure women's empowerment. In this regard, members are recommended to mainstream gender in their AfCFTA National Implementation Strategies. The UNECA, through a European Commission funded project, has been collaborating with AfCFTA parties, RECs, the African Union Commission, the International Trade Centre and UNCTAD to develop national AfCFTA implementation strategies for members which will guide them to fully harness the opportunities and benefits offered by the AfCFTA.[11] However, SADC members have to be technically assisted to undertake gender analysis of the key elements in their AfCFTA National Implementation Strategies, designing gender-sensitive monitoring and evaluation of the AfCFTA National Implementation Strategies, compiling gender-disaggregated statistics on production systems, gender segregation patterns, trade patterns and women and men participation in business, labour and value chains. In addition, policy-relevant studies are also needed to get an empirical understanding of the gender-differentiated trade barriers within AfCFTA members, as well as the gendered impact of trade liberalization measures.

Third, members within the AfCFTA have to cooperate and collaborate in implementing AfCFTA gender-responsive trade facilitation programmes. These should be aimed at improving border infrastructure, eliminating procedural inefficiencies through modernizing border procedures and other measures such as pre-arrival processing and advanced rulings on imports, electronic payment of duties, fees and charges, among others, improving transparency and predictability (including the publication of trade compliance procedures, customs duties and relevant laws, publication of average release time for customs, among others), and cooperating in the field of standardization, development and implementation of technical regulations, conformity assessment, accreditation and metrology with other states that are party to the AfCFTA Agreement. In facilitating this, the AfCFTA Secretariat has to ensure that NTBs reported through the Online NTBs Reporting, Monitoring and Eliminating Mechanism are expeditiously resolved so that constraints facing informal cross-border traders, especially women, are addressed. The AfCFTA Secretariat also needs to work speed up work with the African Export–Import Bank to implement PAPSS, so that traders settle their intra-African trade and cross-border transactions without facing currency convertibility challenges. Similarly, the AfCFTA Secretariat needs to ensure that the information and statistics presented on the African Trade Observatory portal are user friendly and also assist small-scale traders to identify markets. This will address the trade-related information access constraints that mostly confront women business entrepreneurs and women small-scale traders. To complement the above, the AfCFTA Secretariat and members may need to invest in a continent-wide ASYCUDA World programme that ensures that all AfCFTA members are interfaced for smooth trade and trade facilitation that addresses gendered effects of customs deficiencies at border posts.

Fourth, the progress being made by the SADC to finalize the SADC STR is a valuable lesson for the AfCFTA Secretariat and AfCFTA parties to fast-track the establishment of a Continental Free Trade Area Simplified Trade Regime (CFTA STR) as part of AfCFTA processes to eliminate gender-specific obstacles or barriers faced by men and women small and informal cross-border traders in clearing goods at ports of entry or border posts. Building on experiences from the SADC, the CFTA STR has to expand its STR Common List of qualifying goods to cover more products and also include manufactured goods and consider ensuring that costs of licences and the simplified certificates of origin are affordable for informal cross-border traders. Communication and information on CFTA STR policy and customs requirements and procedures has to be strengthened and simplified so that informal traders are adequately informed and less likely be abused through corruption by border officials. There is also need to ensure that when the CFTA STR is implemented; there should be provisions for special customs electronic clearing systems at ports of entry so that there is quicker customs clearance of small informal cross-border traders at border posts or ports of entry.

Fifth, the AfCFTA Secretariat and members may need to develop special guidelines that will guide the conduct of both formal trade and informal trade across borders in Africa during the unpredictable times of natural disasters. The impacts and effects of COVID-19 on regional trade

> AfCFTA gender-responsive trade facilitation programmes should be aimed at improving border infrastructure and modernizing border procedures.

in the SADC, especially the gendered impacts of the pandemic on women, present lessons for the AfCFTA, to design measures that guide trade and prevent production-related, social security-related, border-related, immigration-related and trade facilitation-related barriers and constraints that are faced by both men and women in trade.

Sixth, the AfCFTA may draw lessons from how the SADC has been developing instruments to address obstacles to free movement of people within the region. These include the SADC Protocol on Transport, Communications and Meteorology; the SADC Protocol on Trade in Services; and the SADC Draft Protocol on the Facilitation of Movement of Persons. The reality that the process of adoption and ratification of these instruments has been rather slow is in itself instructive for the AfCFTA. Since the African Passport and the Free Movement of People Initiative are part of the 12 Flagship Projects of the Agenda 2063 seeking to promote the free movement of people on the continent (Vhumbunu, 2020), the AfCFTA Secretariat has to encourage members to sign and ratify the Protocol to the Treaty Establishing the African Economic Community Relating to Free Movement of Persons, Right of Residence and Right of Establishment of 2018. So far, the Protocol has been signed by 32 out of the 55 African countries, and ratified by only four countries. The AfCFTA Secretariat also needs to exert diplomatic pressure on African heads of states and government to make progress on the roll out of the continental AU Passport, which was initially targeted for 2020, so as to address barriers to cross-border travel.

Seventh, the AfCFTA and members should develop and implement a coordinated capacity building and training programme for promoting gender equality and women's empowerment in trade on the continent. This should focus on promoting gender equality and women's empowerment through building the capacity of men and women, and well as gender policy implementation institutions to identify and implement measures that support: financial inclusion; SMEs management; entrepreneurial skills development; integration of SMEs in national, regional and continental value chains; market identification and business networking; utilizing preferential trade regimes and opportunities; mainstreaming gender in trade and development; and continued monitoring, evaluation and review of gender aspects of trade and development policies.

Conclusion

This chapter analytically examined the potential of the AfCFTA to promote gender equality and women's empowerment in Africa based on the premise that women's empowerment is a critical component of gender equality. The experiences, successes and challenges of the SADC are valuable in mainstreaming gender in regional trade agreements, specifically in light of the implementation of the AfCFTA, which commenced on 1 January 2021. The following are all key in promoting gender equality and women's empowerment in trade on the continent so that the AfCFTA delivers more transformative, inclusive and sustainable economic growth and development in Africa: (a) comprehensive gender-related legal, policy and regulatory framework; (b) formulation of gender responsive national-level trade and trade facilitation policies and measures that mainstream gender and ensure women's empowerment; (c) cooperation and collaboration of AfCFTA members in implementing AfCFTA gender-responsive trade facilitation programmes; (d) fast-tracking of the establishment of a CFTA STR by the AfCFTA Secretariat and AfCFTA parties; (e) development of special guidelines that will guide the conduct of both formal trade and informal trade across borders in Africa during the unpredictable times of natural disasters; and (f) coordinated capacity building and training programmes. All these require political will and political commitment across the leadership of the continent.

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Endnotes

1. Only Eritrea is yet to sign the AfCFTA Agreement.
2. These include, among others: Convention on the Political Rights of Women (1954); Convention against Discrimination in Education (1960); Convention on the Elimination of All Forms of Discrimination Against Women (1979); *Declaration on the Elimination of Violence against Women*, resolution 48/104, UN document A/RES/48/104, 23 February 1994; Beijing Declaration and Platform for Action (1995). In July 2010, the United Nations created UN Women, dedicated to gender equality and women's empowerment.
3. See https://www.un.org/womenwatch/osagi/conceptsandefinitions.htm.
4. See https://www.un.org/womenwatch/osagi/conceptsandefinitions.htm.
5. See https://www.un.org/womenwatch/daw/csw/GMS.PDF.
6. Available at http://hdr.undp.org/en/global-reports.
7. The eight RECs recognized by the African Union have the following protocols and policies: COMESA Regional Gender Policy (2016), SADC Protocol on Gender and Development (2008, and amended in 2016); East African Community (EAC) Protocol on Gender Equality (1999); ECOWAS Gender Policy (2004) and ECOWAS Supplementary Act Relating to Equality of Rights between Women and Men for Sustainable Development within the ECOWAS Region (2015); Economic Community of Central African States (ECCAS) Gender Action Plan (2020-2030); Intergovernmental Authority on Development (IGAD) Gender Policy Framework (2012-2020) and IGAD Gender Strategy (2016-2020).
8. See https://www.sadc.int.
9. The countries that have not yet joined the SADC FTA are the Democratic Republic of the Congo and Comoros. Angola submitted a roadmap to accede to the SADC FTA in 2019.
10. See https://asycuda.org/en/user-countries.
11. See https://archive.uneca.org/implementation-afcfta/pages/about-project.

Negotiating towards a tailor-made gender protocol under the AfCFTA:

Could integrating Africa’s fragmented gender chapters be the key?

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Abstract

Recently, the understanding that enhanced intra-regional trade among African countries could be a powerful tool in accelerating economic growth, development and poverty reduction on the continent has led African leaders to place considerable importance on regional integration (Brenton *et al.*, 2013). However, tapping into the benefits of intra-African trade requires careful attention to inclusivity issues in ensuring both men and women benefit and participate equally in regional economic integration (Bussolo and and De Hoyos, 2009). The decision by African heads of state to negotiate a separate Protocol on Women and Youth in Trade under the newly implemented African Continental Free Trade Area (AfCFTA) Agreement reaffirms the belief that improving women's access to opportunities and removing barriers to their participation in international economies contributes to economic development.

Evidence shows that Africa's regional economic communities continue to lead trade liberalization on the continent (UNECA *et al.*, 2019). As a result, in negotiating a gender protocol, the regional economic communities will play a crucial role in accelerating gender responsiveness (UNECA, 2021). Moreover, with most of these economic communities already including gender provisions in their treaties of establishment, it is helpful to assess how such pre-existing gender provisions could serve as a guide for a gender protocol that is suited to the interests and challenges of women on the continent under the AfCFTA.

Introduction

International trade affects men and women differently (Jansen *et al.*, 2012), but until recently, the differential impact of international trade policy on specific population groups has been underplayed (Gammage and Momodu, 2020). Studies on trade and poverty have, however, evidenced the importance of making a gendered analysis of international trade rules and policy a priority (Tran-Nguyen and Beviglia Zampetti, 2004). This underscores the need for well-targeted trade rules, policies and measures explicitly aimed at addressing the differential impact of trade on gender (Tran-Nguyen and Beviglia Zampetti, 2004). Moreover, addressing the gendered impact of trade is conducive to economic growth, since the attainment of gender equality in economic opportunities is estimated to augment world GDP by US$ 28 trillion in ten years (Woetze *et al.*, 2015), thereby giving a significant role to trade policy to advance women's economic development through increased participation in international trade (Korinek *et al.*, 2021). Tackling the differential gender impact of trade law and policy requires mainstreaming[1] gender concerns and perspectives into trade agreements, but the ability of such considerations to address the issues of gender constraints in trade is what makes the mainstreamed provisions gender-responsive[2] (Murray, 2019).

International trade on the African continent saw a momentous milestone with the implementation of the African Continental Free Trade Area (AfCFTA) in 2018 (UNECA, 2019; UNECA *et al.*, 2019; World Bank, 2020). The AfCFTA is a flagship project of Africa's developmental strategies (Gammage and Momodu, 2020), with aspiration six calling for "an Africa whose development is people-driven, relying on the potential of African people, especially women and youth and caring for children". In this regard, AU members, now parties to the AfCFTA Agreement, seek to promote and attain sustainable and inclusive socioeconomic development, gender equality and structural transformation.

At the 35th ordinary session of the AU Assembly in February 2022, African heads of states, recalling their commitment to broadening the inclusivity of the AfCFTA[3] through interventions that support women and in pursuance of the Agreement's objectives enshrined in Article 3(e), decided on the need to negotiate a separate Protocol on Women and Youth in Trade (Bayat, 2022). Currently, aside the mention of gender equality in Article 3 as part of the Agreement's objectives, the only definite reference to women is in Article 27 of the Protocol on Trade in Services. As such, the proposed protocol will be integral in recognizing the specifics needed to support women in their different trade-related roles. More broadly, with the vast disparity among the regional economic communities (RECs) in terms of addressing the nexus between trade and gender, the protocol will likely serve as a platform for harmonizing frameworks aimed at progressing gender equality[4] and women's economic empowerment (UNECA, 2021). Notably, a gender protocol for the continent will greatly benefit RECs that have made little to no progress in addressing the linkages between trade and gender (UNECA, 2021).

While the decision to negotiate a separate protocol on women deserves much commendation, African countries have diverse economic configurations and thus will be affected differently by the AfCFTA (Luke and MacLeod, 2019). More importantly, evidence on trade and gender inequalities on the continent shows that, aside the gendered impact of trade, the barriers women traders and entrepreneurs face though cross-cutting differ to some extent from one region of the continent to the other (Brodsky *et al.*, 2021). It is also important to note that the rich historical origins of the various RECs play a vital role in the extent to which gender features in their treaties (Gammage and Momodu, 2020).

Considering these differences in the various sub-regions, in negotiating a gender protocol under the AfCFTA Agreement, a "one size fits all" attempt at mainstreaming gender in the proposed protocol could be disastrous (ATPC, 2021; Gammage and Momodu, 2020). Thankfully, most of the sub-RECs include about 20 gender-related provisions directly in their treaties of establishment aimed at addressing diverse gender concerns (Laperle-Forget, 2021). These provisions thus offer a menu of gender-provisions and considerations for trade negotiators.

As stake-holder engagements and consultations for the AfCFTA Gender Protocol gather momentum, it is useful to take stock and assess the pre-existing gender chapters in the treaties establishing the various economic communities and their capacity to serve as a foundational tool and a guide for the AfCFTA Gender Protocol. Suffice it to say, however, that this is where this chapter makes its entry point: How should provisions in the protocol

> Study after study in recent times has shown the world that there is no developmental tool more effective than the empowerment of women.

be shaped and/or framed to meet the peculiar needs, interests and challenges of women on the continent? Should gender chapters and provisions in the existing treaties establishing the RECs serve as a foundation to build the AfCFTA Gender Protocol? Although international free trade agreements (FTAs) like Canada–Chile, Canada–Israel and Chile–Uruguay include gender chapters for gender mainstreaming instead of separate protocols on gender, are there still valuable lessons to be learnt from these FTAs regarding gender mainstreaming? This chapter aims to answer this barrage of questions in detail.

Gender considerations in the legal frameworks of Africa's regional economic communities

Trade promotes socioeconomic development in Africa (UNECA, 2021), but study after study in recent times has also shown the world that there is no developmental tool more effective than the empowerment of women (Porter, 2013). Therefore, women's economic empowerment[5] has become a buzzword (Rowlands, 1995) that requires multiple interventions, including trade policy (Bahri, 2021). In light of this, African leaders have sought to achieve the best of both worlds by mainstreaming gender in their regional economic integration endeavours.

RECs have played a vital role in the continent's developmental agenda since the post-colonial era with the notion of stimulating economic growth within African regional communities, encouraging intra-African trading patterns that relieve path-dependencies on former colonial partners and serve as stepping stones towards pan-African economic integration (Gammage and Momodu, 2020). In pursuit of economic growth, gender equality and non-discrimination of women have featured in various developmental strategies (Lagos Plan of Action, 1983[6]; Abuja Treaty 1991[7], Agenda 2063[8]) and the legal frameworks establishing most of the RECs. Commitments in these instruments are soft law provisions and, therefore, not legally binding, but they have contributed to setting the tone for gender mainstreaming in the RECs (Kuhlmann, 2021).

The Arab Maghreb Union (AMU), the Common Market for Eastern and Southern Africa (COMESA), the Community of Sahel-Saharan States (CEN-SAD), the East African Community (EAC), the Economic Community of Central African States (ECCAS), the Economic Community of West African States (ECOWAS), the Intergovernmental Authority on Development (IGAD) and the Southern African Development Community (SADC) are the eight RECs recognized by the African Union (Eerdewijk *et al.*, 2018). These eight RECs form the African Economic Community's pillars and work on regional integration (Yusuf and Ouguergouz, 2012). The RECs also play a key role in coordinating interests in development and governance, peace and security and gender.

As part of their mandate, most of the RECs have incorporated gender-sensitive provisions in their treaties of establishment as a way of addressing issues of gender inequalities (UNECA, 2021). For instance, within the legal frameworks establishing RECs like COMESA, the EAC, ECOWAS and the SADC, gender provisions seek to promote gender equality and women's economic empowerment (COMESA Treaty, Article 154; EAC Treaty, Article 121). In addition, while provisions in the gender chapters of these RECs fall within the ambit of dispute settlement, there are no remedial mechanisms in case of a breach. On the other hand, the treaty establishing the AMU, an agreement in the North African region, has not paid explicit attention to gender equality or women's economic empowerment, leaving members to deal with the topic mainly at the domestic level in line with their international and national commitments (UNECA, 2021). The CEN-SAD Treaty also does not have in place structures for mainstreaming gender in both its activities and policies (Laperle-Forget, 2021). Similarly, the treaty establishing the IGAD does not have specific provisions on women's and girls' rights or gender issues. The subsequent analysis of gender chapters in the legal frameworks of the RECs in this section will therefore not include an analysis of these three RECs.

The Common Market for Eastern and Southern Africa (COMESA) (1994)[9]

COMESA has among its objectives the attainment of sustainable growth and development of its members through the promotion of "balanced and harmonious development of its production and marketing structures" (COMESA Treaty, Article 3). To mainstream gender, members to the Treaty have committed to various provisions on gender equality and women's economic development (Bahri, 2021). In this regard, gender mainstreaming makes an entry point in chapter 24 of the Treaty headlined "Women in Development and Business" with two key provisions.

First is the affirmation that "women make a significant contribution towards the process of socioeconomic transformation and sustainable growth and that it is impossible to implement effective programmes for rural transformation and improvements in the informal sector without the full participation of women" (COMESA Treaty, Article 154). In this regard, parties pledge through "legislation and other measures to increase women's participation in decision-making, eliminate regulation and customs that discriminate against women entrepreneurs and inhibit their access to resources, promote their education and awareness and adopt technology that supports the professional progress of women workers" (COMESA Treaty, Article 154(a)-(e)).

This recognition is particularly crucial for women's economic empowerment and overall development, since research shows women dominate in the informal sectors of trade (Brenton *et al.*, 2013). Furthermore, the pledge by members through legislation and other measures to

> "The objective of the Gender Policy is to create an enabling environment to mainstream gender perspectives into all policies, structures, systems, programmes and activities of all members towards gender equality, women's empowerment and social development.

eliminate regulations and customs that discriminate against women guarantees equal rights for both men and women in the exercise of control over assets such as land and in their ability to access services such as education and credit (Ndumbe, 2013). The absence of discriminatory laws and customs gives women control over economic decisions that affect their lives, leading to their progress, empowerment and economic development (World Bank, 2015)[10].

The second key provision in the COMESA Treaty that mainstreams gender in the Treaty addresses women's role in business (COMESA Treaty, Article 155). Under this provision, parties again recognize women's importance as a vital economic link within the chain of agriculture, industry, and trade (COMESA Treaty, Article 155). With this realization, parties "commit themselves to create enabling environment for the effective participation of women in common market trade and development activities, eliminate laws and regulations that hinder women's access to credit while recognizing and supporting the Federation of National Association of Women in Business established to promote the effective participation of women in the common market trade and development activities". This gives women traders and entrepreneurs a seat at the decision-making table. In addition, it is worth noting that the COMESA gender chapter represents a best practice example for gender mainstreaming in trade agreements by including the gender chapter in the ambit of the Treaty's dispute settlement mechanism (Bahri, 2021).

The commitment of parties to create an enabling environment for the effective participation of women in trade and development activities was affirmed through the development and adoption of the Gender Policy for the region in 2002, which was replaced by the Revised Gender Policy and the Gender Mainstreaming Strategic Plan in 2016 (Eerdewijk *et al.*, 2018). The objective of the Gender Policy is to create an enabling environment to mainstream gender perspectives into all policies, structures, systems, programmes and activities of all members towards gender equality, women's empowerment and social development. This allows for a meaningful approach to gender mainstreaming in the region.

The East African Community (EAC) (created 1977, re-established 1999)[11]

The EAC Treaty recognizes gender mainstreaming (EAC Treaty, Article 5(3)(e)) and gender equality (EAC Treaty, Article 6(d)) as fundamental principles of the community that explicitly acknowledges the role of women in the socioeconomic and business development of the region.

Chapter 22 of the Treaty is dedicated to "enhancing the role of women in socio-economic development". It calls for members to adopt measures to maximize the contribution of women to promote socioeconomic transformation and sustainable growth. More specifically, the Treaty commits members to promote women's empowerment and effective integration and participation of women at all levels of socioeconomic development, especially in decision-making, abolish legislation and discourage customs that discriminate against women (EAC Treaty, Article 121(a)-(e)). Constraints in decision-making hinder women's ability to engage in productive economic activities. As such, the commitment by members to integrate women in decision-making will play a critical role in improving the chances of women in the EAC region to benefit from trade liberalization and regional integration policies (UNCTAD, 2015).

Members' commitment to discourage customs that discriminate against women (EAC Treaty, Article 121(b)) is a step in the right direction, since research has proven gender-based customs and traditions inhibit women's access to economic resources that are crucial for their empowerment and economic development at large (UNCTAD, 2017a). For instance, through customs and traditions that limit women's ability to own land, it has been shown that only a lower share of women tend to be landowners in the EAC region (UNCTAD, 2018), a phenomenon that has dire consequences on women's economic empowerment and development.

In line with promoting equality for men and women, it is noteworthy that there have been commendable efforts at the institutional level to reduce gender inequality in the region through the membership of all parties to the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) even though for the time being, these efforts have proved insufficient in dealing with gender inequalities in the region (UNCTAD, 2017a).

Again, on the role of women in business, the Treaty, having recognized the importance of women as a vital economic link between agriculture, industry and trade, entreats parties to undertake to increase the participation of women in business at the policy formulation and implementation levels while promoting special programmes for women in small, medium and large-scale enterprises (EAC Treaty, Article 122(a)-(b)). Agriculture is still the dominant employment sector in the EAC region, particularly for women. For example, recent figures available from a World Bank study in an UNCTAD report shows that 96 per cent of women in Burundi, 76 per cent in Kenya, 84 per cent in Rwanda, 71 per cent in Tanzania and 77 per cent in Uganda are still employed in agriculture (UNCTAD, 2017a). Judging from these statistics, increased participation through the pursuit of policies favourable to women in this sector will undeniably promote women's effective engagement and involvement in the agricultural sector.

The Economic Community of Central Africa States (ECCAS) (revised 2019)[12]

Members' first attempt at gender mainstreaming in the region is in Chapter 2 of the Revised Treaty. It provides that "the appointment of staff of the commission is to take into account, in addition to the requirements of moral integrity and competence, an equitable distribution of posts among nationals of all member states and a balance between men and women" (ECCAS Revised Treaty, Article 21(8)).[13] Although this provision seeks to achieve gender equality in the appointment of Commission staff, it limits the fundamental issue of gender equality and women's involvement in decision-making to the Commission's work. As a result, it does not seek broader engagement of women as stakeholders in the community's activities. This lapse, however, seems to be covered by the Treaty's provision on social affairs and gender, where the Treaty mandates members to promote equality between men and women in all public and private sectors while ensuring the implementation of the ECCAS gender policy in regional integration policies, strategies and programmes (ECCAS Revised Treaty, Article 79(1-3)).

Another attempt at gender mainstreaming is again seen in Chapter 18, where members "undertake to formulate, coordinate, and establish appropriate policies and mechanisms for the enhancement of economic, social, and cultural conditions of women". In so doing, members are to take all measures necessary to identify and assess constraints that inhibit women from maximizing their contribution to regional developments and efforts (ECCAS Revised Treaty, Article 78(1-2)(a)). The Treaty further entreats members to provide a framework within which

> Women's effective participation in trade liberalization and regional integration has been closely linked to removing barriers they encounter.

these constraints will be addressed and for the incorporation of women's concerns and needs into the normal operations of society (ECCAS Revised Treaty, Article 78(2)(b)). Women's effective participation in trade liberalization and regional integration has been closely linked to removing barriers they encounter, such as constraints in access to resources and market opportunities, land ownership and educational attainment, among many others (UNCTAD, 2014). Therefore, efforts at identifying constraints that may be more peculiar to women within the community can help policymakers target trade policies specific to the identified constraints, thereby helping to increase women's benefits from regional economic integration.

At the community level, ECCAS members are "to stimulate dialogue among themselves on the kinds of projects and programmes aimed at integrating women into the development process, establish mechanisms for cooperation with bilateral, multilateral, and non-governmental organizations, promote and develop mechanisms that encourage the exchange of experiences and information between member states" (ECCAS Revised Treaty, Article 78(3)(a)-(c)). Members cooperation with bilateral, multilateral and non-governmental organizations set the stage for more profound work on gender to be done at the sub-regional and continental level under trade agreements (Kuhlmann, 2021).

The Economic Community of West African States (ECOWAS) (1993)[14]

The Treaty Establishing ECOWAS was revised in 1993 with the overarching objective of "promoting cooperation and integration, leading to the establishment of an economic union in West Africa in order to raise the living standard of its people and to maintain and enhance economic stability, foster relations among member states and contribute to the progress and development of the African continent" (ECOWAS Revised Treaty, Article 3(1)). In furtherance of this objective, ECOWAS is to ensure, among other things, the harmonization and coordination of national policies and the integration of programmes, projects and activities, particularly in energy, trade and economic reform policies, an enabling legal environment and harmonized standards and measures (ECOWAS Revised Treaty, Article 3(2)(a)-(o)).

ECOWAS mainstreams gender as part of its objectives through "the encouragement and strengthening of relations and the promotion of the flow of information particularly among rural populations, women and youth organizations and socioprofessional organizations such as the associations of the media, businessmen and women, workers, and trade unions" (ECOWAS Revised Treaty, Article 3(2)(i)). Access to trade-related information is critical for business success, particularly for women entrepreneurs and women in rural communities, yet many women lack access to key information opportunities (UNECA/FES, 2017). More importantly, information is essential if trade is to be used as a tool for economic empowerment and for increasing women's participation in the global market (WTO, 2017). With information and access to information being so crucial in trade, ECOWAS's attempt to encourage the flow of trade information among women and youth organizations and women businesses and workers sets a precondition for empowering women-owned businesses. This also helps to maintain healthy and profitable cross-border operations through informed decision-making, as access to information is critical for poorer women engaged in cross-border trade (Acharya *et al.*, 2019). Research has further shown that lack of clarity on trade information has resulted in women engaged particularly in informal cross-border being extorted and harassed at the borders by border officials and other unscrupulous persons pretending to be border officials (WTO, 2015). In support of this, ECOWAS members have also expressed their commitment to promote women's organizations and professional associations to ensure mass involvement in the activities of ECOWAS seen as an integral part of social affairs and social development in the region (ECOWAS Revised Treaty, Article 61(c)).

The stand-alone provision on women and development committing members to formulate, harmonize, coordinate and establish appropriate policies and mechanisms for the enhancement of the economic, social and cultural conditions of women (ECOWAS Revised Treaty, Article 63) is of great significance. It is trite that although trade policies are themselves not *de jure* discriminatory, their impact on women and men differ significantly (Korinek *et al.*, 2021). In light of this, closing gender gaps and advancing women's economic empowerment requires policy action in many areas, including increasing women's participation in international trade (Korinek *et al.*, 2021). Therefore, ECOWAS members committing to establish appropriate policies and mechanisms for the enhancement of women is a key step in closing gender gaps and advancing women's participation in trade.

In support of the above, members are to "take all measures necessary for identifying and assessing all constraints that inhibit women from maximizing their contribution to regional development efforts and to provide a framework within which the constraints will be addressed and for the incorporation of women's concerns and needs into the normal operations of the society" (ECOWAS Revised Treaty, Article 63(2)). Gender inequalities and constraints severely limit women's activities and ability to take advantage of increased trade openness relative to men. Again, sociocultural gender norms and constraints, including limited mobility and reduced access to training, hinders women's ability to benefit from employment and other economic opportunities (UNCTAD, 2017b). This commitment, therefore, clearly demonstrates the willingness of members to incorporate gender perspectives into ECOWAS's development and societal operations (Bahri, 2021). Quite unfortunately, the Treaty's mandate is constrained, absent explicit provisions for monitoring mechanisms ensuring members take the necessary steps to implement their commitments on gender mainstreaming.

> Research has further shown that lack of clarity on trade information has resulted in women engaged particularly in informal cross-border being extorted and harassed at the borders.

The Southern African Development Community (SADC) (1992)[15]

The SADC Treaty provides a basis for women's and girls' rights as part of the SADC's economic development by listing gender mainstreaming in the process of community building as one of its major objectives (SADC Treaty, Article 5(1)(k)). Including gender as part of the SADC's objective is a critical step which places gender issues firmly on the region's agenda and ensures that commitments to equality and women's economic empowerment are effectively implemented at the national and regional levels.

Furthermore, the Treaty outrightly prohibits discrimination based on sex or gender (SADC Treaty, Article 6(2)). More specifically, the Treaty provides that "SADC and member states shall not discriminate against any person on the grounds of gender, religion, political views, race, ethnic origin, culture, ill health, disability, or such other grounds as may be determined by the summit". The explicit and outright prohibition of discrimination on the grounds of gender in this provision serves as a guide to members on what constitutes appropriate state practice on gender-related issues. This provision is also a best practice example that mandates states to ensure that women's rights are respected, eliminating inequalities and practices that negatively affect women's rights and economic development (UNECA/FES, 2017). It is worth reiterating that the existence of gender-based discrimination fuels unequal access to economic resources, credits and other economic opportunities necessitating the urgent need to end all forms of discrimination against women if economic development and regional integration are to be achieved, since gender equality been shown to lead to faster economic growth (UNECA/FES, 2017).

The SADC Treaty also calls for the establishment of sectoral and cluster ministerial committees with the responsibility of overseeing activity in the core areas of integration which includes gender and social affairs (SADC Treaty, Article 12(2)(a)(iv)).

In furtherance of the SADC's objectives, members put in place a legally binding instrument on gender mainstreaming by adopting the SADC Protocol on Gender and Development in 2008. In the Protocol's section on economic policies and decision-making, SADC members undertake to "ensure equal participation of women and men in policy formulation and implementation of economic policies" (SADC Protocol on Gender and Development, Article 15). Ensuring both men and women equally participate in policy formulation ensures women's concerns and perspectives are accounted for in policies.

On economic empowerment, SADC members agree to "review their national trade and entrepreneurship policies to make them gender responsive by introducing measures to ensure that women benefit equally from economic opportunities, including those created through public procurement processes in line with affirmative action provisions in article 5 of the protocol" (SADC Protocol on Gender and Development, Article 17(2)-(3)). Complementary procurement measures serve as an entry point by encouraging participation of women-led and women-owned businesses in trade, their access to public contracts, and their ability to access public tenders (UN Women, 2021).

The Protocol further contains provisions on access to property and resources by mandating members to "review all policies and laws that determine access to, control of, and benefit from, productive resources by women, to end all discrimination against women and girls concerning water and property rights such as land, ensure that women have equal access and rights to credit, capital, mortgages, security and training as men and ensure that women and men have access to modern, appropriate and affordable technology and support services" (SADC Protocol on Gender and Development, Article 18(1)(a)-(c)). Research shows that women-owned and women-led businesses are often concentrated in sectors with low entry barriers and limited growth potential due to gender-asset gaps, unequal access to credit facilities and collateral (UN Women, 2021). In this regard, the Protocol's provisions ensuring men and women have equal access to modern technology, assets, credits and capital will go a long way in addressing some of the most critical constraints facing women's capacity to participate in economic development and trade effectively.

Realizing promise of the AfCFTA for women through a tailor-made gender protocol

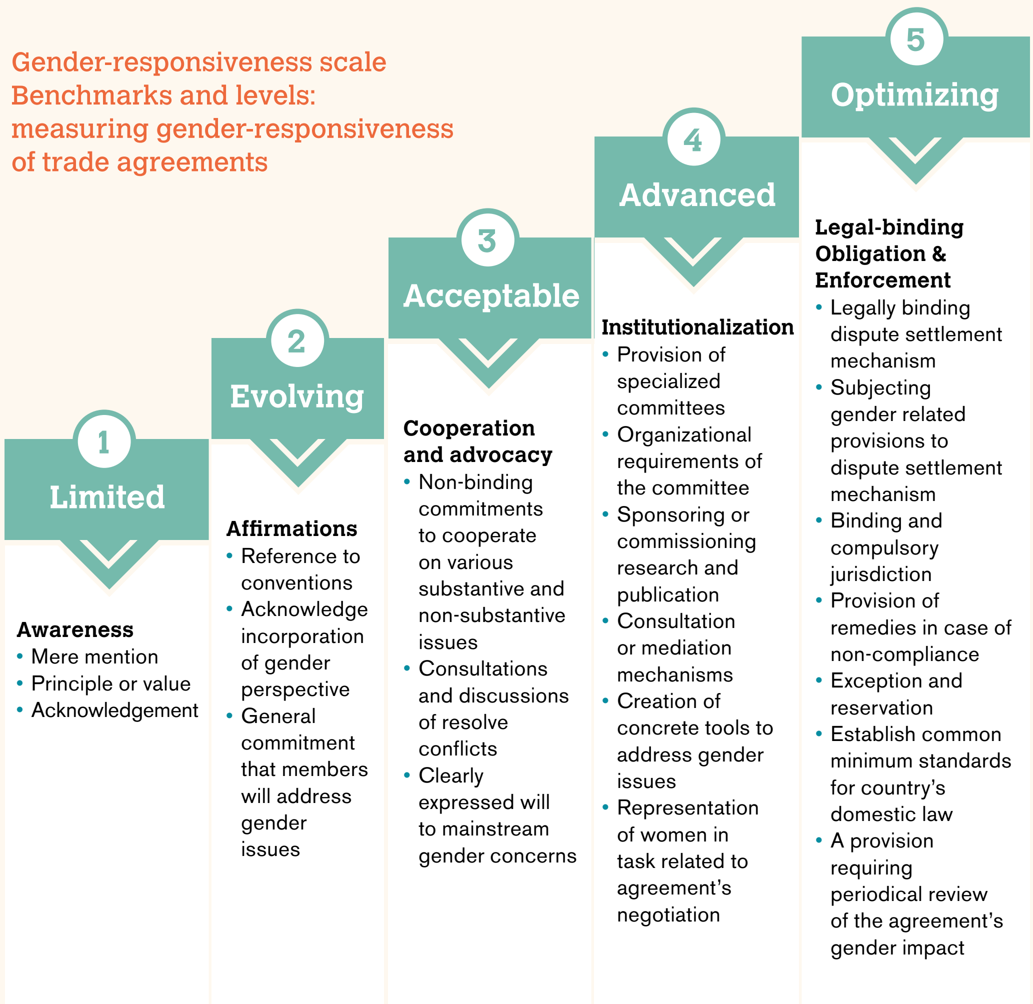
If African women are to grasp the full benefit of the proposed gender protocol, understanding the areas that affect gender equality on the continent is crucial. Determining areas of gender inequalities has generally been addressed through indicators.[16] A gender-responsive or gender-sensitive indicator measures gender-related changes over time and can be either quantitative or qualitative (OECD, 2009). It is also an indicator to evaluate how sensitive, committed or informed the provisions of a trade agreement are to issues relating to gender (Bahri, 2019).

The use of well-defined and articulated indicators improves public understanding of the constraints and policy trade-offs and helps create broader consensus on social priorities (United Nations, 2013). Considering this, scholars like Bahri (2019), and institutions such as the World Bank and the International Trade Centre (ITC, 2020), have all created indicators which seek to measure the main barriers to gender equality and to demonstrate whether any changes have occurred. While recognizing the impracticality of formulating an ideal level of gender considerations for FTAs, Bahri (2019) takes note of the importance of incorporating gender perspectives tailored to the economic, political and cultural context of the countries involved using a maturity framework (Bahri, 2019). With research on the continent evidencing the impact of institutional, legal, cultural and religious settings on gender, this gender-responsive scale is ideal for analysing the level of sensitivity of gender chapters and provisions in the treaties establishing the RECs (Gammage and Momodu, 2020). Also, the benchmark and levels propounded in this framework allow for comparison across provisions that go beyond their structure and evaluate their impact (Kuhlmann, 2021).

Effectiveness of pre-existing gender chapters as a foundation for the protocol

By adopting the Bahri (2019) gender-responsiveness maturity framework, this section analyses the level of sensitivity and responsiveness of the gender chapters discussed in the previous sections to assess their usefulness as a foundational tool for the proposed gender protocol. The section will also discuss how provisions in the proposed protocol should be shaped or framed to meet the interests and needs of women on the continent, the need for coherence with existing AfCFTA protocols under phase I, such as the protocol on trade in Goods, Services and Dispute settlement and the Protocol on Intellectual Property, Competition Policy and Digital Trade under phase II.

Figure 1: Gender-responsiveness Maturity Framework



Source: Bahri (2019).

The gender-responsive scale adopted for analysis in this section seeks to measure the gender-responsiveness of trade agreements to help policymakers and negotiators measure the gender-responsiveness of trade agreements, identify areas where such agreements need critical improvement and receive recommendations on how to make improvements. This is done by assessing the gender chapters under consideration through five benchmarks: awareness; affirmation; cooperation; advocacy; institutionalization; and finally legal bindingness and enforcement (see Figure 1). Progression on the scale starts from the first benchmark and optimizes at the fifth and final benchmark.

Applying the first benchmark, all five gender chapters discussed previously satisfy this benchmark requirement. Examples of these benchmark requirements are found in provisions in Articles 154 and 155 of the COMESA Treaty, Articles 121 and 122 of the EAC Treaty, Article 3 of the ECOWAS Treaty, Article 78 of the ECCAS Treaty and, Article 5(1)(k) of the SADC Treaty.

At the next benchmark level, COMESA members' acknowledgement of women's significant contribution towards socioeconomic transformation and sustainable growth and their commitment to promote effective integration and participation of women at all levels of development, especially at the decision-making levels, satisfies this requirement (COMESA Treaty, Article 154(a)). Similarly, EAC partner commitments to eliminate laws, regulations and practices that hinder women's access to financial assistance, including credit, also satisfies this benchmark requirement. In addition, Article 78(2) of the ECCAS Revised Treaty, Chapter 24 of the COMESA Treaty, Article 12 of the SADC Treaty and Article 63 of the ECOWAS Revised Treaty also meet the benchmark criteria on this level.

At the third benchmark, only the ECOWAS Revised Treaty in Chapter 19 and the ECCAS Revised Treaty (Article 77(2)(c)) contain provisions that met this criterion. Chapter 19 of the ECOWAS Revised Treaty, for instance, provides that "the community with a view to mobilizing the various actors in socio-economic life for the integration of the region, shall cooperate with socio-economic organizations and associations in particular producers, transport operators, women, artisans and other professional organizations and associations to ensure their involvement in the integration process of the region".

Gender chapters at the institutionalization level are expected to contain provisions that establish institutions and procedures that provide the implementation architecture for gender-specific clauses. Such provisions could be in the form of the establishment of committees to oversee and monitor the implementation of gender-focused provisions and gender-impact of trade, establishment of consultation or mediation mechanisms that can facilitate consultations to resolve conflicts arising from gender-related concerns and identification of procedures for carrying out an ex-*ante* or ex-*post* gender-focused impact assessment. Gender chapters containing these elements and elements from the previous benchmarks attain advanced levels of gender responsiveness. Article 155(3) of the COMESA Treaty and Article 12(2)(a)(iv) of the SADC Treaty are the only chapters that meet the threshold requirements at this level. Both treaties make provisions for the establishment of committees on gender. For instance, Article 12(2)(a)(iv) of the SADC mandates the sectoral committee to oversee activities on core areas of integration, including gender, even though it falls short of prescribing financial arrangement requirements and requirements for the functioning of this committee.

"Gender chapters at the institutionalization level are expected to contain provisions that establish institutions and procedures that provide the implementation architecture for gender-specific clauses.

Gender chapters containing legally binding and enforceable obligations have an optimizing level of gender responsiveness at the fifth and final benchmark. These include provisions subjecting gender-related issues to compulsory dispute settlement and provision of remedies in the absence of non-compliance with decisions of the dispute settlement body. Although all the treaties under consideration include provisions in gender chapters to the agreements' dispute settlement mechanisms, none contains remedies for breach of obligations in the event of non-compliance, thus partially satisfying the threshold at this level. Despite the adoption of binding provisions, the availability of effective remedial provisions is still lacking and represents a matter of concern. Specifically, Article 23(1) of the COMESA Treaty, Article 27 of the EAC Treaty, Article 98 of the ECCAS Revised Treaty, Article 76 of the ECOWAS Revised Treaty and Article 98 of the SADC Treaty all subject the provisions in the gender chapters to dispute settlement and nothing further.

From the above analysis, the treaties establishing the various RECs present an opportunity for trade negotiators to build the continental Gender Protocol. There is, however, a need for adjustments and improvements to the provisions in the treaties, particularly in the monitoring, evaluation and enforceability of commitments and obligations if the Protocol is to attain the highest level of gender responsiveness.

Shaping/framing the Protocol's provisions

Gender inequalities on the continent in social, economic and cultural areas remain highly prominent even though African countries have been pioneers in mainstreaming gender in their trade agreements (Laperle-Forget, 2022). These inequalities significantly impact women's role, rights and contribution to economic development. Therefore, if the AfCFTA Gender Protocol is to meet its objective of addressing the needs, interests and challenges of women traders and entrepreneurs on the continent, it will have to contain considerations touching and addressing these areas of inequalities.

First, African women can achieve their full economic potential where an enabling legal, regulatory and institutional framework exists. This calls for enacting, reforming and strengthening laws that address harmful sociocultural norms, ensure gender equality at all levels and in all areas and prohibit all forms of discrimination against women. Such considerations in the Protocol should call for the prohibition of all gender-based discrimination laws. AfCFTA parties, by prohibiting legal discrimination based on gender, can achieve gender equity under the law, which will help mitigate gendered differences in trade impact and grow export markets (Brodsky *et al.*, 2021).

During the 77th session of the United Nations General Assembly on 28 July 2022, the Secretary-General reported that discriminatory laws, policies and social norms persisted in impeding women's full and equal participation in the economy through the existence of customary laws and practices that threaten the physical integrity of women and girls and their access to education, justice, productive and financial resources, and paid employment, among others.[17] These constraints inhibit women's ability to exercise human rights and participate in the economy (OECD, 2019b) and thus affirming the need to eliminate laws, social norms and practices in all areas and at all levels that discriminate against women. At the continental level, Article 154 of the COMESA Treaty and Article 6(2) of the SADC Treaty present a foundation to shape such considerations.

Second, the AfCFTA Gender Protocol should be framed to contain considerations on informal cross-border trade. Research suggests that informal cross-border trade accounts for about 40 per cent of trade among COMESA and SADC members (Nshimbi and Moyo, 2017). With the AfCFTA's likelihood of strengthening intraregional cooperation on trade-related matters, there is an urgent need to ensure that trade laws and policies take account of the needs of informal cross-border traders. More importantly, women are estimated to account for about 70 per cent of informal cross-border traders in Africa (Luke and MacLeod, 2019). As such, the Protocol must contain provisions addressing barriers women informal cross-border traders face on the continent.

Third, trade in services is a primary area where women are employed and dominate, surpassing even the agricultural sector (ILO, 2016). This applies to both high-skilled (recreational, insurance, real estate, financial) and small-scale, informal services (hairdressing, house cleaning, washing), thus calling for considerations to be made on cross-border trade in services addressing gender barriers to trade in services on the continent. Such considerations could be in the form of provisions acknowledging the presence of barriers disproportionately affecting women and committing parties to mitigate them. It could also call for parties' commitment to follow through on due diligence (Brodsky *et al*., 2021).

Fourth, there are no specific provisions addressing labour and social protection in the current AfCFTA framework (FES, 2017). While this omission is regrettable, it allows negotiators to address this shortcoming in the proposed Gender Protocol by including provisions that commit parties to women's labour and social protection rights. Moreover, including explicit labour provisions within the framework of the Gender Protocol would also provide the opportunity for parties to address gender disparities by clearly prohibiting discrimination in the workplace based on gender or sex (Brodsky *et al*., 2021). An ideal provision in this regard will be a clause containing minimum legal standards obligating parties to prohibit gender-based discrimination in the workplace.

Finally, without clause subjecting provisions in the Protocol to an effective and all-encompassing dispute resolution mechanism that bolsters the accountability of parties to act in accordance with provisions and commitments in the Protocol, none of the above considerations will attain the required level of efficiency and effectiveness (Sophie Cohen, 2021). There is therefore the need to frame a provision that subjects the commitments in the Protocol to the ambit of the Protocol on Dispute Settlement to ensure the enforcement of obligations and commitments while bolstering the Gender Protocol's credibility and legitimacy.

“With the AfCFTA's likelihood of strengthening intraregional cooperation on trade-related matters, there is an urgent need to ensure that trade laws and policies take account of the needs of informal cross-border traders.

Achieving coherence with existing AfCFTA protocols and agreements

Cross-cutting issues impact women's participation in trade. Some of these issues may already have been negotiated under phase I of AfCFTA negotiations, such as trade in goods and services, as well as areas yet to be negotiated, such as intellectual property rights and digital trade under phase II. A gender protocol isolated from other sectors of the economy addressed in these other protocols will not yield the expected results. Therefore, if the proposed Gender Protocol is to be truly effective and efficient, there is a need to mainstream gender across all protocols and their associated annexes and appendices that form an integral part of the AfCFTA Agreement (Bayat, 2022).

To achieve coherence, provisions in the Gender Protocol, just like the Protocols on Trade in Goods and Trade in Services, should be included within the scope of the AfCFTA Protocol on Dispute Settlement. This will ensure that member parties have recourse to dispute resolution for all matters under the AfCFTA Agreement, ensuring uniformity to commitments under the various protocols.

Again, under phase I, for instance, agreements on trade facilitation, market access, safeguards and subsidies, just to mention a few, will all impact women entrepreneurs and traders. This will require a gender impact assessment of key women-dominated sectors in merchandised trade. In this regard, there is the need to pay attention to the differential impact of the AfCFTA on women in their multiple roles as entrepreneurs, consumers and traders, among others.

Similarly, gender mainstreaming in phase II should extend to the drafting of phase II protocols which will, in turn, inform the design of explicit gender-related provisions that serve as entry points for promoting women's economic empowerment objectives under protocols like competition policy, intellectual property rights and digital trade (Bayat, 2022). In this regard, expediting negotiations on the Gender Protocol, so it occurs concurrently with ongoing negotiations in these areas, would promote a coordinated and cooperative approach to developing the legal framework for women and youth in trade.

Looking to other international free trade agreements for lessons

The gender chapters in the Canada–Chile, Canada–Israel and Chile–Uruguay FTAs, although not gender protocols in themselves, have been described as containing the most transformative and comprehensive provisions in the world to date (Monteiro, 2018). Identifying inherent weaknesses in these chapters will thus be crucial to African trade negotiators in their negotiations for a continental gender protocol.

First, although all three gender chapters contain provisions on monitoring, none of the chapters includes clear guidelines on how the monitoring is to be carried out or the standard for assessment. Worst still, none of the provisions on monitoring includes specific indicators for tracking, monitoring and evaluating the set objectives. For instance, Article 14.1 of the Chile–Uruguay FTA provides that "each party reserves the right to establish, modify or monitor compliance with its gender standards and policies in accordance with its priorities". Establishing a gender committee has become a decorative centerpiece in all three FTAs. Yet, there is no articulated goal to assess, making these committees nothing more than a voice to broadcast gender-related conferences and workshops (Sophie Cohen, 2021).

Secondly, the Canada–Israel FTA is the only gender chapter among the three with a binding dispute resolution mechanism. This suggests that the gender chapters in the remaining two FTAs are non-binding and merely symbolic. This implies further that, in case of breach of any of the provisions in the chapters, the aggrieved party cannot seek enforcement through a binding and compulsory dispute settlement mechanism.

Third and related to the immediately preceding paragraph, even the celebrated dispute resolution clause in the Canada–Israel FTA does not allow for the imposition of sanctions upon breach. What Article 19 of the FTA does is to defer the right of compensation to the parties to decide. Therefore, to confer legitimacy and strengthen the AfCFTA Gender Protocol, policymakers and trade negotiators will have to consider not just subjecting the provisions to a binding and compulsory dispute settlement mechanism but confer on it the ability to issue sanctions.

One way of doing this will be to subject provisions in the Gender Protocol to the AfCFTA Dispute Settlement Protocol or create a specialized mechanism for enforcing gender commitments under the protocol. Although this may seem an overstretch and overly ambitious, it is the only way to give muscle and teeth to the proposed Gender Protocol. Admittedly, RECs such as the EAC and the SADC are further ahead in placing women and gender at the heart of their trade and developmental agenda and as such putting in place specialized enforcement mechanisms may not be as challenging compared with RECs like the AMU, the CEN-SAD and the IGAD, which have made little to no progress on gender. In this regard, the AfCFTA Secretariat could take on a central role by providing support to the efforts of RECs and parties in advancing gender in their trade and developmental agenda (UNECA, 2021).

Conclusion

This chapter has demonstrated that to promote gender responsiveness under the AfCFTA Agreement, opportunities exist within the legal frameworks of the RECs to provide foundational support for a gender protocol. However, as shown, the treaties establishing the RECs lack some basic requirements needed to be truly responsive to the needs of African women traders and entrepreneurs.

To curb these shortcomings, there is the need for trade negotiators to take lessons of best practice examples from FTAs such as the Canada–Israel to include provisions such as binding dispute settlement mechanisms and monitoring and evaluation of set objectives and commitments.

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Endnotes

1. According to the United Nations Economic and Social Council (ECOSOC), building upon the Platform for Action adopted at the 1995 United Nations Fourth World Conference on Women, in Beijing, China, gender mainstreaming is the process of assessing the implications for women and men of any planned action, including legislation, policies or programmes, in any area and at all levels. It is a strategy for making the concerns and experiences of women as well as of men an integral part 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 (see https://www.ilo.org/public/english/bureau/gender/newsite2002/about/defin.htm).
2. As for the meaning of the notion of "gender-responsiveness" or "gender sensitivity", our paper adopts the definition adopted by Bahri (2019). Bahri (2019) defines the term as an indicator which evaluates how sensitive, informed, or committed the provisions of a trade agreement are to issues relating to gender.
3. As of October 2022, 44 African countries had ratified the AfCFTA Agreement and deposited their instruments of ratification (see https://au-afcfta.org).
4. According to UN Women, gender equality refers to all society members' equal rights, opportunities and responsibilities regardless of their sex (see https://www.un.org/womenwatch/osagi/conceptsandefinitions.htm).
5. UNFPA (2008) defines women's empowerment as the process of correcting inequality in a society that rests on systemic imbalances in power by gender and serves that hold women and girls in subordinate positions in all spheres of their lives.
6. Article 296 of the Lagos Plan of Action: "The importance of giving special attention to women in the analysis of the reported situation and to measures to be taken in each of these sectors (industry, agriculture and trade, etc.), which have been previously considered, is acknowledged. The steps to be taken to solve the problems of African women should not be marginal and separate from the question of overall development."
7. Article 75(2): "Member states agree to formulate, harmonize, coordinate, and establish appropriate policies and mechanisms for the full development of the African woman through the improvement of her economic, social, and cultural conditions. To this end, member states shall take all measures necessary to ensure greater integration of women in development activities within the community."
8. Agenda 2063, Aspiration 6: An Africa whose development is people-driven, relying on the potential of African people, especially its women and youth, and caring for children (see https://au.int/sites/default/files/documents/36204-doc-agenda2063_popular_version_en.pdf).
9. COMESA members include Burundi, Comoros, Democratic Republic of the Congo, Djibouti, Egypt, Eritrea, Eswatini, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Uganda, Zambia and Zimbabwe.
10. World Bank research on women, business and the law found that, 90 per cent of economies measured in the research had at least one law impeding women's economic opportunities (World Bank, 2015).
11. EAC members include Burundi, Kenya, Rwanda, South Sudan, Tanzania and Uganda.
12. ECCAS members include Angola, Burundi, Cameroon, Central African Republic, Chad, Congo, Democratic Republic of the Congo, Equatorial Guinea, Gabon, Rwanda, and Sao Tomé and Principe.
13. Translation of provisions in the ECCAS Revised Treaty from Laperle-Forget (2022).
14. ECOWAS members include Benin, Burkina Faso, Cabo Verde, Côte d'Ivoire, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo.
15. SADC members include: Angola, Botswana, Comoros, Democratic Republic of the Congo, Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Tanzania, Zambia and Zimbabwe.
16. An indicator is a pointer. It can be a measurement, a number, a fact, an opinion or a perception that points at a specific condition or situation, and measures changes in that condition or situation over time. In other words, indicators provide a close look at the results of initiatives and actions. For this reason, they are front-line instruments in monitoring and evaluating development work (see https://eugender.itcilo.org/toolkit/online/story_content/external_files/TA_Edu_CIDA.pdf).
17. *Women in Development: Report of the Secretary-General*, UN document A/77/243, 28 July 2022.

The role of regional governance on shaping trade and gender nexus policy in the pandemic and recovery:

Asia-Pacific practices and perspectives

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Abstract

The COVID-19 pandemic caused challenges to public health systems and disruptions in international trade and society. This chapter will highlight the role of regional governance in complementing international governance in responding to global crises and addressing gender issues. The discussion concentrates on the Asia-Pacific region, including responses by individual economies and the regional organizations the Asia-Pacific Economic Cooperation (APEC) and the Association of Southeast Asian Nations (ASEAN). The findings show that policy measures responding to the pandemic are progressing dynamically. While policies are primarily concerned with the strength of public health systems and the stability of economic and social situations initially, they will focus on answering specific groups' needs, including women's challenges, at a later stage. Besides, comparing the actions between ASEAN and APEC indicates the difference in the governance approach to the trade and gender nexus; that is, the human rights-based versus the economic and technical cooperation (ECOTECH)-oriented approaches. Accordingly, this chapter argues that policy priority and institutional structure are crucial elements behind the diversity of regional governance on gender issues in the Asia Pacific. Finally, it suggests that the experiences of Asia-Pacific regional governance facilitate the understanding of dimensional and cross-cutting gender issues and provide insights into international governance of the trade and gender nexus.

Introduction

Before the COVID-19 pandemic, international society enhanced globalization, shaping the close interdependence of economic and social activities between economies. The liberalization of trade and investment and a rule-based trading system is essential to the operation and sufficiency of globalization. Nevertheless, the flows of international trade and investment were disrupted by the COVID-19 pandemic because of public health measures that mandated social distancing and restricted physical contact between people. Although public health measures were necessary to prevent infectious diseases and protect human life and health, they caused impacts on domestic consumption and cross-border movements of workforces and goods (APEC, 2020a; World Bank, 2020).

An important lesson from the COVID-19 pandemic is the need to strengthen the governance capacity of developing comprehensive policies concerning public health, economic and social purposes. On the other hand, the pandemic highlights the role of international trade in maintaining the capacity of public health systems and strengthening economic activities' resilience. In addition, for those vulnerable during the pandemic, an open and resilient trading system could reduce the impacts of economic disruptions to support business operations and secure employment.

It is widely recognized that the female workforce and women-led businesses suffered more than male workers and men's businesses during the pandemic (Tang *et al.*, 2021). Therefore, international organizations such as the International Labour Organization and the World Bank suggested that women's economic participation is key to the pandemic recovery.

Fighting the pandemic and facilitating the recovery requires multi-level efforts, including multilateral mechanisms, regional governance and individual economies. This chapter concentrates on regional governance by exploring how regional organizations promoted gender-sensitive responses during the pandemic and for recovery. Because of the diversity of economic, social and cultural backgrounds of economies in the Asia Pacific, this chapter studies the experiences of the two regional organizations – the Association of Southeast Asian Nations (ASEAN) and the Asia-Pacific Economic Cooperation (APEC).

Three questions are critical to studying the role of regional governance in promoting gender-sensitive policies during the pandemic and for recovery. They are: how did Asia-Pacific economies take action in response to the pandemic and answer women's challenges during the pandemic? Second, how do APEC and ASEAN play a role in the pandemic, mainly how they address gender issues as part of the pandemic responses and their priorities for regional economic integration? Third, a comparative study is adopted to analyse the connection between economies' actions and regional organizations' priorities and the similarity and disparity of regional governance on trade and gender nexus between ASEAN and APEC.

Accordingly, this chapter is divided into three major parts. It starts with the landscape of policy responses by Asia-Pacific economies and analyses the similarity and differences. Regarding incomplete responses to women suffering from the pandemic, it explores the actions suggested by ASEAN and APEC. The findings lead us to propose several factors shaping the trade and gender nexus policy in the two regional organizations. Finally, we suggest the implications of Asia-Pacific experiences and regional governance on gender issues in shaping the framework of international governance on trade and gender.

Policy measures of Asia-Pacific economies in response to challenges faced by women during the COVID-19 pandemic

The Asia Pacific is a unique region compared with other regions primarily based on continents such as North America, Europe and Africa. That is because the geographical location of the Asia Pacific is ocean-centred and island-based. The Pacific Ocean is the geographical proxy by which these countries in the Pacific rim, including North and South Americas, Oceania, and North, South and East Asia, are conceptualized as a "region".

Except for the geographical location, the countries in the Asia Pacific share few common connections. The diversity of cultural backgrounds, economic development levels and social conditions lead to economic and political conflicts among Asia-Pacific economies. On the

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other hand, it motivates the experiments of innovative policies and political ideas (Beeson, 2009). The basis for capturing the regional perspective during the pandemic lies in the collection and analysis of pandemic response policy measures from APEC members.[1]

Challenges to women's economic participation in the Asia Pacific during the pandemic

The COVID-19 pandemic caused severe challenges to international society, including the Asia-Pacific region. While international trade faces a decline in commodities, global trade of pandemic prevention-related products, medicines, computer equipment and integrated circuits instead welcomed growth. Furthermore, services sectors heavily dependent on person-to-person interaction, such as tourism, catering and accommodation, as well as services that cannot be provided through cross-border consumption using the Internet and digital systems, experienced a more significant contraction than other services sectors (CCSA, 2021). Although the trade in services experienced more significant setbacks than the trade in goods, the emphasis on enhancing the resilience and capacity of essential goods domestically also disrupted the global supply chain. Consequently, the global supply chain underwent restructuring and relocation, necessitating the existing supply chain network changes (APEC, 2021).

To a certain extent, the disruptions in services trade and the global supply chain explain the vulnerability of female workers and women-led businesses during the pandemic. First, women's economic participation was more concentrated in services sectors before the pandemic. When the pandemic caused severe disruptions in services trade, it led female workforces and women-led businesses in the services sector to confront a higher risk of unemployment and bankruptcy.

Prior to the pandemic, there was a gradual increase in the gender ratio of economic participation in the Asia-Pacific region, accompanied by a narrowing gender gap in the workforce. Most women workers in the region were in services sectors, manufacturing and agriculture. In services sectors, up to 73 per cent of women in the Asia Pacific participated in health care, social work, catering, wholesale and retail (APEC, 2020b). Besides, business activities and jobs that women highly participated in have several characteristics, including the lower requirement of capital and technologies, the greater engagement of physical contact with consumers, and the higher reliance on domestic consumption (World Bank and WTO, 2020). Indeed, trade in services and the industries relying on people-to-people contacts, such as tourism, catering, wholesale and retail, were the industries that suffered more disruptions by the COVID-19 pandemic (Avdiu and Nayyar, 2020; Barkas *et al.*, 2020). Commercial activities in these sectors require more resources to transform existing delivery modes and business models to adapt to the contactless economy. However, the female workforce and women-led businesses in these sectors might lack sufficient digital and financial capacity to adapt to the new economy (ILO, 2020). In other words, changes in women's economic participation before the COVID-19 pandemic (i.e. concentrating in services sectors and working with less adaption to the contactless environment) is one of the reasons why women face more challenges than men during the pandemic.

Secondly, gender inequality in economic and social structures existed before the pandemic. Before the pandemic, women frequently encountered stereotypes that confined them to care-giving roles rather than pursuing adventurous paths, and they were often perceived as less competent in science, technology, engineering and mathematics (STEM) fields. The sociocultural environment, which was unsupportive of women, hindered their economic potential, resulting in disparities in unpaid household and care-giving responsibilities, working conditions and wages, access to markets and loans, as well as digital literacy and capacity. However, the level of gender inequality varies among countries. However, rather than diminishing, these inequalities were further aggravated during the pandemic. For example, numerous governments opted to close public establishments such as kindergartens, schools and care facilities as a measure to contain the spread of the pandemic. As a result, women faced challenges in accessing care services for children and elders (APEC, 2020b).

The disruption in caring services resulted in women's care burden being increased than before. Although a part of female workers could convert to remote office models, the percentage of overall female workers and the benefits of remote office models is debatable. Especially, the working-from-home model blurring the boundaries between work and family might have led women to suffer more burden of caring for family members than before. As a result, as McKinsey & Company and LeanIn (2020) studied, the proportion of full-time women workers forced to leave the workforce is higher than that of full-time working men forced to leave the workforce.

Concerning the higher unemployment and financial uncertainty faced by women during the pandemic, the next issue is how economies in the Asia Pacific took action to address these challenges.

Policy measures of Asia-Pacific economies in response to the pandemic and women's challenges

To explore the issue, we accessed the database created by the United Nations Development Programme (UNDP) during the pandemic. The database Global COVID-19 Gender Response Tracker, which monitored the COVID-19 policies adopted by governments worldwide, indicated gender-sensitive responses by four fields, including social protection, violence against women, economic and fiscal measures and the labour market, and collected the gender ratio of the special COVID-19 taskforce.[2] Based on information from the Global COVID-19 Gender Response Tracker, several findings of economies' actions in the Asia Pacific are worth discussing.

First, most pandemic responses were related to social protection, economic and fiscal measures and violence against women. The policies targeting the labour market were less than the former three fields. Specifically, social protection measures included subsidies and government support schemes for employees' care leave, releasing the caring burden of

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essential (service) workers and the suspension of social insurance responsibility on workers and corporations. As to the measures for the violence against women, most policies were to maintain existing services such as the operation of hotlines and notification mechanisms, the police and judicial system's services addressing unreported or undisciplined violence, and shelter support. Regarding the economic and fiscal measures, the common measures included public loans and subsidies for enterprises and tax reduction/exemption for private sectors. However, Asia-Pacific economies seldom adopt the extension of credit or loan projects and renegotiation and reconstruction programmes. Table 1 shows the landscape of the pandemic responses in the region.

Another indicator of the gender sensitivity of pandemic responses by Asia-Pacific economies is female representativeness in the policymaking process.

Table 2 shows the female representativeness of COVID-19 taskforces in the Asia-Pacific region. The gender ratio of members of the special COVID-19 taskforce in the Asia Pacific is a disparity between developed and developing economies (see Table 2). In most developed economies, the gender ratio is over 30 per cent, except for Japan. By contrast, the gender ratio of the COVID-19 taskforce in most developing and newly industrialized economies is less than 15 per cent. In Chile and Hong Kong, China, it is higher.

Table 1: The landscape of gender-sensitive COVID-19 responses in the Asia-Pacific (Jan-Aug 2021)

APEC economies	Types of response			
	No. social protection measures (and %)	No. measures for violence against women (and %)	No. economic and fiscal measures (and %)	No. labour market measures (and %)
Developed economies	67 (40%)	38 (23%)	46 (28%)	15 (9%)
Newly industrial economies	33 (45%)	7 (9%)	21 (28%)	13 (18%)
Developing economies	128 (47%)	61 (23%)	40 (15%)	39 (15%)
Total	228 (45%)	106 (21%)	107(21%)	67(13%)

Source: Calculations based on data from the Global COVID-19 Gender Response Tracker.

Table 2: The gender ratio of the COVID-19 taskforce in the Asia Pacific (Jan-Aug 2021)

Selected APEC economies	Gender ratio
Australia	44%
Canada	47%
Chile	28%
China	12%
Hong Kong, China	40%
Japan	17%
New Zealand	45%
Papua New Guinea	0%
Peru	13%
Philippines	0%
Singapore	9%
Thailand	9%
United States	30%
Viet Nam	7%

Source: UNDP, Global COVID-19 Gender Response Tracker.

The result has a two-fold meaning. On the one hand, the gender ratio in the COVID-19 taskforce echoes the conception that the degree of gender equality positively relates to the level of economic development. Gender equality in developed economies is generally higher than in developing or least-developed economies. On the other hand, it warns that gender inequality in policymaking might worsen during the global crises because of the lack of female experts and representatives. While the gender ratio of COVID-19 taskforces in developed economies is higher than in developing economies, the ratio is much lower than the proportion of the female workforce in human health and social work, including in developed economies (Jones-Renaud *et al.*, 2020).

However, is there a positive correlation between the gender composition of the COVID-19 taskforce and the advancement of gender equality in these economies?

To explore this issue, we compared the finding with the Global Gender Equality Index of these Asia-Pacific economies. The finding shows a positive correlation between the gender ratio of the COVID-19 taskforce and the degree of gender equality in developed economies. In contrast, the positive correlation becomes less distinct in developing economies. However, a shared characteristic among these Asia-Pacific economies is that the representation of women in the COVID-19 taskforce is significantly lower than their participation in the labour force. This underrepresentation of women in the policymaking process for COVID-19 responses puts these economies at risk of inadequately addressing the challenges faced by women during the pandemic.

It is evident that economies in the Asia-Pacific region are committed to preserving economic and social stability amidst the pandemic by implementing various policy measures. Nevertheless, a significant portion of these measures falls short of adequately addressing the challenges faced by women. For instance, these measures did not propose solutions to the structural female labour participation in service industries and the gender gap in digital capacity and unpaid housework. Moreover, there is a lack of ensuring gender equality in policymaking in response to the pandemic. Women remain significantly underrepresented in public health relative to their share of regional healthcare workers.

Policy recommendations and collective activities in ASEAN and APEC

ASEAN and APEC are the two vital organizations in the Asia Pacific. However, the formation of these establishments represents diverse geographical and political perspectives within this region.

ASEAN was created in 1967 to protect and maintain regional peace and security. Its membership is Asia-centred, including Brunei Darussalam, Cambodia, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam. While APEC was established in 1989, much later than ASEAN, its purpose was to promote trade and investment liberalization. While APEC aimed to broaden its membership beyond Asia, resulting in a larger and more inclusive organization compared to ASEAN, the latter enjoys a stronger sense of shared identity and greater cohesion among its members.[3] The variances in geographical conception, membership composition, and institutional background significantly shape the pandemic responses and approaches towards addressing gender issues adopted by ASEAN and APEC.

ASEAN: gender inclusion, human security and disaster management

Due to its smaller membership size and shared ASEAN identity, ASEAN exhibited a more prompt response to the pandemic than APEC. The discrepancy in the speed of collective reactions is evident in the timing of the highest-level meetings conducted by the two regional organizations.

After the announcement of the COVID-19 pandemic by the World Health Organization, ASEAN leaders arranged a special summit to demonstrate cooperation and collaboration in fighting the pandemic. By contrast, APEC did not set a special meeting at the economic leaders' level during the initial pandemic. Instead, until the middle of 2021, under the leadership of the Host Economy, New Zealand, APEC economic leaders held an informal leaders' retreat to share their pandemic-response experiences and discuss opportunities for cooperation in the post-pandemic economic recovery.

"It is evident that economies in the Asia-Pacific region are committed to preserving economic and social stability amidst the pandemic by implementing various policy measures.

In the 2020 special summit, ASEAN members confirmed the role of ASEAN in assisting individual economies and cooperation with external partners such as private sectors and international organizations.[4] Actions taken by ASEAN members include providing a transparent exchange of real-time information and pandemic response measures taken by members, sharing experiences and best practices in epidemiological research and development, and organizing regional cooperation for adequate provision of medicines and essential medical supplies and equipment.[5] Furthermore, by recognizing "the unprecedented challenges posed by the Coronavirus Disease 2019 (COVID-19) pandemic to lives and livelihoods and creating widespread demand and supply-side shocks" caused by the COVID-19 pandemic, ASEAN leaders instructed ASEAN members to use the whole-of-government, whole-of-society and whole-of-ASEAN efforts to address the challenges of the COVID-19 pandemic and other public health emergencies.[6]

The whole-of-government, whole-of-society and whole-of-ASEAN approach was manifested through various initiatives and tangible outcomes. They include: (i) establishing the COVID-19 ASEAN Response Fund to support members' needs in responding to the pandemic; (ii) launching the ASEAN Regional Reserve of Medical Supplies for Public Health Emergencies to strengthen the region's capacity, resilience and enhanced preparedness to respond to current and future public health emergencies; (iii) adopting the ASEAN Comprehensive Recovery Framework and its Implementation Plan as a consolidated strategy for ASEAN to confront challenges from the COVID-19 crisis; (iv) creating the ASEAN Center for Public Health Emergencies and Emerging Diseases, which serves as a regional resource hub to strengthen ASEAN's regional capabilities to prepare for, prevent, detect and respond to public health emergencies and emerging diseases. In the meantime, ASEAN members also concluded the Memorandum of Understanding on the Implementation of the Non-Tariff Measures on Essential Goods to sustain the regional economic integration and the supply chain of the goods.

Besides specific instruments for the global crisis, ASEAN leaders highlighted the importance of the continuous efforts of the existing plans, especially the ASEAN Community Vision 2025. Specifically, ASEAN and its members continued the ongoing work of three ASEAN Community Blueprints 2025, and the Master Plan on ASEAN Connectivity (MPAC) 2025 remains (ASEAN Secretariat, 2016a, 2016b). Moreover, ASEAN leaders adopted the ASEAN Comprehensive Framework on Care Economy to guide ASEAN members to catch the opportunity in the post-pandemic recovery by building a stronger and more resilient economy.

Most of these policy instructions and recommendations by ASEAN are gender neutral, for instance, the ASEAN Comprehensive Recovery Framework and its Implementation Plan set the strategic plan for ASEAN members. These documents recognize the unequal impacts of COVID-19 on men and women. However, gender issues are intricately connected to macroeconomic policies and regional capacity. As ASEAN has demonstrated, gender issues are integral to ensuring human security. Consequently, concrete recommendations have been put forth, such as strengthening the integration of gender considerations in pandemic responses and emphasizing the importance of gender responsiveness in ASEAN's recovery efforts. These documents underscore the commitment to addressing gender issues through a human rights-based approach. Therefore, while ASEAN recognized gender issues as crucial for building a resilient region, it has primarily approached these matters within the context of human rights.

> Gender issues are intricately connected to macroeconomic policies and regional capacity. As ASEAN has demonstrated, gender issues are integral to ensuring human security.

Following the ASEAN Comprehensive Recovery Framework and its Implementation Plan, several committees proposed detailed plans to address gender issues in the pandemic recovery. As a result, the ASEAN Committee on Disaster Management adopted the ASEAN Regional Framework on Protection, Gender, and Inclusion in Disaster Management 2021-2025 to insert gender concerns into the ASEAN Agreement on Disaster Management and Emergency Response. The ASEAN Regional Framework on Protection, Gender, and Inclusion in Disaster Management 2021-2025 was then established to chart a collective vision to advance inclusive disaster management and strengthen efforts related to gender and social inclusion. It also aims to facilitate the creation of indicators that measure progress in gender, protection, and inclusion, thereby addressing the ongoing pandemic and preparing for future pandemics (ASEAN Secretariat, 2021). However, it is worth noting that the gender issue addressed by the ASEAN Regional Framework on Protection, Gender, and Inclusion in Disaster Management 2021-2025 is primarily gender equality and women empowerment instead of promoting gender diversity (ASEAN Secretariat, 2021).

We can see that the ASEAN addressed women's challenges during the pandemic from human security and social inclusion perspectives. The central point to facilitate gender-relevant policies is gender mainstreaming by the individual members and ASEAN as a whole, as ASEAN's ministers on women stated in their joint statement in 2021. In other words, ASEAN is more concerned with the dimension of human rights and human security of gender issues.

APEC: women empowerment, inclusive growth, and trade and investment liberalization

Sharing the understanding with ASEAN leaders, APEC's economic leaders acknowledged the COVID-19 pandemic as one of the most challenging health and economic crises in the contemporary era that caused disproportionate impacts on micro, small and medium-sized enterprises, women and others with untapped economic potential.[7]

However, APEC economic leaders did not give guidance on "inclusive economic policies" to ensure effective and equal participation in the economic recovery, nor did they agree on a strategic plan for all APEC forums and members. Instead, APEC economic leaders highlighted the continuous efforts of implementing the La Serena Roadmap for Women and Inclusive Growth (2019-2030) to enhance women's empowerment.[8] Accordingly, the initiatives implemented by APEC forums are key to crystalizing how APEC addresses gender issues during the pandemic and in response to the recovery.

The Economic Committee and the Policy Partnership on Women and the Economy (PPWE) are two forums crucial to map policy recommendations on gender issues during the pandemic. First, the Economic Committee explored the challenges to women's empowerment before and during the pandemic in the *2020 APEC Economic Policy Report* (APEC, 2020b). Within this report, the Economic Committee discussed gender-related issues and promoted the best practices of APEC members in promoting women's empowerment. The report especially emphasized the importance of capacity-building among APEC members to identify and implement structural reform policies that enable women to actively and equitably participate in economic activities during the post-pandemic recovery.

Secondly, the APEC Women and Economy Forum, a ministerial meeting arranged by the PPWE annually, suggested collective actions and cooperation on gender issues during the pandemic and recovery. Ministers at the APEC Women and Economy Forum stressed women's difficulties in the pandemic, including disproportionate job losses, participation in the informal sectors, unequal access to technology, inadequate financial incomes, an imbalance of unpaid care and domestic work, and rising gender-based violence.[9] To address these difficulties, they urged APEC members to adopt gender-responsive approaches in domestic laws and policies to enhance inclusive, sustainable and equitable economic growth. Proposed measures included: (i) improving equality in the working environment, wages, employment and access to training for reskilling and upskilling; (ii) increasing women's leadership and decision-making positions in private sectors and in forming response and recovery measures; (iii) enhancing support for affordable and accessible care services to address unequal responsibilities of unpaid care and domestic work; and (iv) eliminating discrimination for women to engage in STEM. Moreover, sex-disaggregated data are essential to develop evidence-based gender policies and monitor their implementation.[10]

These actions reflect that APEC adopted a different approach to address women's challenges during the pandemic and the pandemic recovery. Rather than developing a new policy framework or strategic plan, APEC is more inclined to address these issues in the existing efforts and works, such as the La Serena Roadmap for Women and Inclusive Growth (2019-2030).

In addition, policy suggestions and initiatives promoted by APEC demonstrate that the central concern of gender issues is about economic and trade dimensions. In other words, APEC did not separate gender issues from economic and trade policies or place them in the context of human rights and human security. Instead, it paid attention to economic participation and empowerment for women by promoting cross-forum collaboration, concerned with the role of women in promoting trade liberalization, human resource development and inclusive growth in the region.

> "Policy suggestions and initiatives promoted by APEC demonstrate that the central concern of gender issues is about economic and trade dimensions.

The governance of gender issues by ASEAN and APEC: a human rights-based approach versus an ECOTECH-oriented approach

As analysed before, ASEAN and APEC approached gender issues during the pandemic and recovery from different dimensions. Specifically, ASEAN focused more on women's security and fundamental rights; APEC concentrated more on women's economic participation capacity. This section will discuss the reasons behind the difference in the governance of gender issues between ASEAN and APEC. To analyse the governance of gender issues within ASEAN and APEC, this chapter categorizes their approaches into human rights-based and economic and technical cooperation (ECOTECH)-oriented approaches.

Policy priority of regional organizations framing the context of gender issues

The policy priority plays a crucial role in achieving a shared understanding among members within a regional institution, as it is shaped by the institutional structure and mission. Consequently, we propose that the different governance of gender issues in ASEAN and APEC can be attributed to the variation in the policy priorities pursued by the two regional organizations.

The creation of ASEAN was a symbol of south regionalism in Asia in the 1960s. At that time, Southeast Asia economies were in a confrontation against the spread of communism. The political reality of the Cold War Era drove the idea of forming a regional security alliance for Southeast Asia economies against the spread of communism (Beeson, 2009; Pasha, 2022). The emphasis on peace and security within ASEAN's institutional mandate can be attributed to the influence of international relations and political considerations on its founding members. As stated in the 1967 Bangkok Declaration, the principle of equality and partnership underlies the necessity for collective action and regional cooperation.[11] Therefore, a peaceful community is central to ASEAN's policies. The adoption of the ASEAN Charter subsequently expanded the policy priority to economic, social and cultural dimensions.

The ASEAN Charter, adopted by ASEAN members in 2007, has two meanings (ASEAN Secretariat, 2008). First, the document designates ASEAN as an inter-governmental organization with a legal personality and codifies the institutional structure for the operation and dispute settlement. As a result, this milestone marked the institutionalization of ASEAN and signified its evolution from a loose regional security alliance to a full-fledged inter-governmental organization. Additionally, the ASEAN Charter outlines the principles and priorities that all members are expected to adhere to. All ASEAN members must agree to the spirit of equality and partnership and comply with the principles of sovereignty, equality, territorial integrity, non-interference, consensus and unity in diversity.[12] These principles are central to the ASEAN Centrality and the ASEAN Way. Moreover, the ASEAN Charter envisions the ASEAN Community with three pillars. The three pillars are the ASEAN Security Community, the ASEAN Economic Community and the ASEAN Social-Cultural Community.[13] Specifically, the pillar of the ASEAN Economic Community marked the expansion of ASEAN's policy priority into the economic and trade dimension (see Pasha, 2022).

However, expanding ASEAN's policy priorities does not mean that ASEAN members recognize the linkage between trade and gender policies. Instead, gender issues are addressed within the framework of the ASEAN Social-Cultural Community. This context highlights the preference of ASEAN members for placing gender issues in the domains of human rights and human security.

Likewise, the formation of APEC can be attributed to the political dynamics among its founding members. Historical evidence indicates that APEC was established to promote the establishment of the WTO and serve as a platform for negotiations and leverage among major economic powers (Japan, the United States and the European Union) (Ravenhill, 2001). Nevertheless, unlike the common identity shared by ASEAN members, the diversity of economic, social and cultural conditions among APEC members implicates the internal conflicts between the Asia-central and Pacific-centred policies and between developing and developed economies. On the other hand, the complex conflicts among APEC members led APEC to distance itself from political issues such as regional security and concentrate on the liberalization of trade and investment.[14]

In the Seoul Ministerial Meeting in 1991, APEC founding members agreed to the principles of consensus and voluntarism central to the operation of APEC. They indicated the spirits of open regionalism and concreted unilateralism as crucial for APEC's trade agenda (APEC, 1994). However, these members did not confer legal personality upon APEC or fully institutionalize it as a formal organization. As a result, the institutional nature of APEC continues to be that of a loose policy forum (Elek, 1998; Ravenhill, 2001). Rudner (1994) argued that the institutional nature and the principles of consensus and voluntarism weaken the APEC's function as a photo opportunity or talk shop.

Later in 1994, APEC economic leaders announced a long-term goal to promote free and open trade and investment in the Asia-Pacific before 2020.[15] The long-term goal and associated sub-topics are also called "Bogor Goals".[16] Given the disparity of economic development among APEC members, there are three pillars to implement the Bogor Goals: trade and investment liberalization; facilitation of trade and investment; and ECOTECH.[17]

Compared to the other two pillars, the ECOTECH issue may appear unrelated to international trade and regional markets at first glance. As Yamazawa (1994) studied, during that period, developed members considered ECOTECH issues as complementary to the trade agenda. Consequently, they omitted ECOTECH issues from the discussion points of the Committee of Trade and Investment.[18] By contrast, developing economies paid more attention to ECOTECH issues. They supported creating a specific committee to manage ECOTECH-relevant initiatives in a permeant and formal way, given ECOTECH issues concentrating on capacity building that can answer their development needs (Ravenhill, 2000). The tension between developed and developing economies on the ECOTECH agenda explains the uniqueness of the APEC Senior Officials' Meeting Steering Committee on Economic and Technical Cooperation (SCE). The representatives of APEC members joining the SCE meeting are senior officials instead of technical bureaucracy, unlike the Committee of Trade and Investment and the Economic Committee.

Nevertheless, APEC is also experiencing the expansion of its policy priority from the liberalization of trade and investment to non-trade issues such as structural reform. The shifts in APEC's policies prompted economic leaders to define the APEC agenda in 1996, emphasizing the pursuit of sustainable growth and equitable development.[19] Specifically, the growth-oriented

> **ASEAN and APEC have been experiencing changes in the priority of gender issues to respond to the members' needs and regional growth.**

policy clarified the ECOTECH agenda as part of APEC's policy priority. In other words, APEC approached gender issues by placing them in the ECOTECH agenda and concentrating on capacity building and empowerment for women's economic activities.

Compared with the human rights-based approach by ASEAN, the ECOTECH approach seems to exemplify a model for trade and gender nexus policy. APEC's high-level policy documents reflected this viewpoint. For instance, the 1996 APEC Economic Leaders' Declaration instructed ministers to work with the private sector to find solutions to encourage the participation of women in APEC economies to implement the Bogor Goals and assigned ministers to pay more attention to the full participation of women in the economy.[20] Consequently, ministers exhibited a positive stance regarding the integration of gender issues into the mainstream of APEC initiatives.[21]

The institutional adjustment in response to the changing priorities of gender issues

While the policy priority of ASEAN and APEC frames the context of gender issues in their governance, the focus is not unchangeable. In the past years, ASEAN and APEC have been experiencing changes in the priority of gender issues to respond to the members' needs and regional growth. The dynamic development of gender issues leads to the second point. Adjusting the institutional structure is a reason to initiate the changes in the gender policy and the result as well.

As to the gender policy in ASEAN, Davies (2016) indicates three phases for developing gender issues. The first two phases of gender policy are closely linked with the adjustment of ASEAN's institutional structure.

In 1976, ASEAN created a subcommittee on women to concentrate on the linkage between gender and development. The 1988 Declaration of the Advancement of Women in the ASEAN region crystallized the development concern.[22] It urged members to promote women's role in national and regional development. Specific policy suggestions included ensuring the equitable and effective participation of women in all fields and at dimensions of the political, economic, social and cultural life of society and integrating concerns of women as a productive force, active agents in and beneficiaries of development in national policies. Furthermore, the 1988 Declaration emphasized the social dimension of gender issues, which is crucial in fostering fairer and more harmonious societies among ASEAN members.

The development concern of gender issues was then moved to the focus of human rights. That is the second phase of gender issues in ASEAN, starting from the 2004 Declaration on the Elimination of Violence Against Women in the ASEAN Region.[23] The ASEAN Declaration on the Elimination of Violence Against Women clarified that human rights and fundamental freedoms are essential to protecting women against violence. By addressing the violence against women, ASEAN members confirmed the concern of gender policy expanding to individuals' human rights, not limited to national and regional development. The 2004 Declaration suggested several vital areas for improving and protecting women's human rights, such as promoting sex-disaggregated data and gender mainstreaming, enhancing domestic laws and policies, eliminating all forms of discrimination against women and collaborating at different levels.

Besides the 2004 Declaration, the announcement of the ASEAN Community Vision also plays a key role in shaping the priority of gender policy in ASEAN. The ASEAN Community Vision followed the 2004 Declaration, confirming the human rights-based approach to gender issues and promoting them as part of the ASEAN Social-Cultural Community. According to the Blueprint for the ASEAN Social-Cultural Community, adopted in 2007, enhancing members' human and social development is essential to the ASEAN Community. Gender equality is one of the key priorities to achieve the ASEAN Social-Cultural Community blueprint, along with other priorities such as promoting and protecting fundamental freedoms, human rights and social justice.[24] It can be said that the ASEAN Social-Cultural Community's gender policy includes two parts: human development and human rights. The former is related to enhancing women's capacity to participate in social and economic activities;[25] the latter is concerned with women's well-being and social welfare.[26] The priorities echo the policy priority of ASEAN (i.e. development and security).

Different from the first phase, the adjustment of the institutional structure was a result of the changes in gender policy. As a result, ASEAN created two institutional arrangements to achieve the 2004 Declaration and the ASEAN Social-Cultural Community. One track is managed by the ASEAN Ministerial Meeting on Women, supported by the ASEAN Committee on Women. This track promotes initiatives and policies relevant to the ASEAN Social-Cultural Community. The ASEAN Ministerial Meeting manages another track on Social Welfare and Development, supported by the ASEAN Commission on the Promotion and Protection of the Rights of Women and Children. The second track is to monitor the collaboration between ASEAN and the United Nations on protecting the human rights of women and children. In other words, the two tracks of institutional arrangement form the internal and external dimensions of ASEAN's gender policy.

Regarding the governance of gender issues in APEC, the theme of gender issues has not departed from the ECOTECH agenda that concentrates on women's empowerment and economic participation. Nevertheless, the priority of gender issues has witnessed two changes in the past years.

> “Gender equality is one of the key priorities to achieve the ASEAN Social-Cultural Community blueprint, along with other priorities such as promoting and protecting fundamental freedoms, human rights and social justice.

One change is the expanding scope and the cross-cutting nature of priorities. Initially, the priority of gender issues was limited to training programmes and business operations that were closed to women's economic participation. The priority described the Human Resource Development Working Group and the Small and Medium Enterprises Working Group as the two primary subforums to promote gender policy in APEC. Nevertheless, the two subforums were relatively inclined to take a gender-neutral position and focused on harmonizing domestic policies and training programmes across members.

The Ministerial Meeting held in 1998 improved the priority and gender-neutral attitude toward women. This meeting resulted from the changing position of APEC economic leaders in 1996, as mentioned before. The meaning of the Ministerial Meeting on Women is to discuss the policies from a gender perspective. In other words, gender issues are no longer attached to but central to other policies. By shifting the gender issues from the margin to the central to APEC issues, policies that might exist in gender inequality or create barriers to women's economic participation are all gender issues concerned by APEC economies and discussed in APEC. In addition, the gender-centred approach facilitated cross-forum collaboration and cooperation to pave the way for a comprehensive trade and gender nexus policy. This transformation was evident in the Statement issued during the 2004 APEC Ministerial Meeting,[27] where the significance of promoting women-specific programmes to enhance women's technical and digital skills, as well as establishing a strong connection between trade liberalization and gender equality, was emphasized. In the meantime, the Ministers Responsible for Trade also changed their gender-neutral attitude toward trade policy. In the 2005 joint statement, APEC Ministers Responsible for Trade acknowledged gender inequality existed in and was caused by international trade and stressed the importance of inserting gender concerns into trade policy.[28]

The gender-centred attitude and approach shaped the cross-cutting nature of gender policy in APEC. Moreover, it paved the way for the second change – developing strategic plans for APEC and APEC members on gender issues.

The strategic plan for gender issues in APEC can be traced back to 1995. At that time, influenced by the United Nations policy of gender mainstreaming, APEC developed its first framework for integrating women into APEC by the 1998 Ministerial Meeting on Women. The framework indicated three priority areas for gender issues: gender analysis, the collection and use of sex-disaggregated data, and women's participation in APEC activities (True, 2008). Nevertheless, the framework primarily focused on promoting gender equality within the institutional structure of APEC and its associated activities rather than explicitly addressing the challenges and difficulties faced by women in individual member economies.

When APEC published the first edition of APEC Women and the Economy Dashboard in 2015, the discussion in APEC was more concerned with gender-sensitive policies among APEC members. That is because gender analysis and sex-disaggregated data enable economies to realize the real issues and problems affecting women's economic activities and to seek feasible solutions. In other words, the annual APEC Women and the Economy Dashboard facilitates data-based and evidence-based gender policymaking in regional governance. Based on the insights and outcomes of APEC initiatives and best practices, APEC endorsed an ambitious and comprehensive strategic plan for trade and gender nexus policy, such as the La Serena Roadmap for Women and Inclusive Growth (2019-2030).[29] The Roadmap guides the priority areas for all APEC members and APEC forums in the following ten years. Given the whole-of-APEC, the whole-of-society and the whole-of-government approaches under the Roadmap, APEC members did not propose additional strategic plans for women's challenges during the pandemic and the recovery.

The two changes mentioned above prompted APEC to make adjustments to its institutional structure. During the gender-neutral stage, APEC did not establish any specific taskforce or working group dedicated to promoting gender issues. It was not until the inaugural special ministerial meeting on women in 1998 that APEC introduced an annual high-level meeting on gender issues, subsequently replaced by the High-Level Policy Dialogue on Women and the Economy and the Women and the Economy Forum. To facilitate the proceedings of high-level meetings, APEC introduced a new working group, overseen by the SCE, to oversee the implementation of gender policies and advance gender-related matters in the region. This working group, known as the PPWE, was established in 2011. However, unlike ASEAN, APEC predominantly focused on gender policies through a single track centred around the La Serena Roadmap for Women and Inclusive Growth.

It is noteworthy that the five priorities identified by the PPWE reflect the perspective that APEC's experiences provide a model for policies concerning the trade and gender nexus. These five priorities encompass the areas that present barriers to women's economic participation, including access to capital, access to markets, skills and capacity building, leadership and agency, and innovation and technology.

Implications of the regional experiences in the Asia Pacific in terms of trade and gender nexus policy

According to responses by individual economies and regional organizations in the Asia Pacific during the pandemic, they demonstrate different attitudes towards global and regional crises and diverse approaches to addressing gender issues. Mainly, regional organizations are crucial for mobilizing resources and support to fight the crises and lead cooperation and collective actions to maintain the stability of economic and social conditions. Therefore, a lesson learned from the pandemic is to refine the role of regional governance in international efforts and highlight the complementary relationship between regional and multilateral organizations.

More importantly, the Asia-Pacific experiences provide insights into two dimensions. One is about shaping policy responses to the global crisis; another is about facilitating international governance on trade and gender nexus policy.

> "These five priorities encompass the areas that present barriers to women's economic participation, including access to capital, access to markets, skills and capacity building, leadership and agency, and innovation and technology.

First, as to the policy responses to a worldwide crisis, the Asia-Pacific experiences indicate a dynamic development of policy response. Take the COVID-19 pandemic, for instance. At the beginning of the pandemic, policy measures taken by the government were gender neutral. These policies were more concerned with stabilizing the economic depression, surging unemployment and shortages of essential goods. However, as the economic and socially disordered situations progressively improved, the government shifted its focus and resources to specific groups in need or essential to fight the pandemic. That is why the government generally proposes gender-sensitive policies or supporting measures at a later stage.

An additional factor is that it requires time to collect and analyse data and information on the impacts caused by the pandemic on different groups. Therefore, the capacity and experience of collecting sex-disaggregated data from the government are crucial to the comprehensiveness of gender-sensitive policies being developed. Nevertheless, a government can learn lessons from others by relying on the regional information-sharing system because of the common characteristics of the economic and social challenges during the pandemic. This point explains why ASEAN and APEC committed to strengthening real-time information sharing in the region.

On the other side, responses by ASEAN and APEC during the pandemic demonstrate that a global and regional crisis affects the operation of a regional organization to a limited extent. While there is a time gap in response to the worldwide crisis between ASEAN and APEC, it is common for the two organizations to take two tracks to continue regional governance. One track is for the specific and emergent event; another is to continue the existing works and plans. Nevertheless, gender inequality during the global crisis indicates that the existing governance approaches remain dominant in regional organizations. Individual emergencies and crises hardly lead to changes in regional governance.

For international governance of trade and gender nexus policy, several insights are learned from the regional governance of ASEAN and APEC.

The first point is about the shifting paradigm of development concerns. In gender issues, governance has gradually departed from the traditional aid for trade policy based on the donor–recipient relationship. Undoubtedly, the gender issue in APEC is grounded in the context of ECOTECH, which was initially the mechanism supplementary to the trade agenda. The original rationale for the ECOTECH concerns the development gap between APEC members. However, with the growing power and capabilities of developing economies in the global market, the ECOTECH issue has emerged as a lever to reshape the trade agenda that was previously dominated by developed economies. In essence, the ECOTECH issue acts as a catalyst for establishing a more equitable economic relationship between developing and developed economies. Furthermore, the ECOTECH issue plays a crucial role in advancing regional economic integration by facilitating consensus-building on less contentious and softer issues. It becomes more significant when traditional trade matters, such as making specific commitments to eliminate tariff and non-tariff barriers, face challenges within the APEC framework.

In addition, the evolution of gender policy and gender mainstreaming in ASEAN and APEC implicates gender equality as a public good for regional cooperation. Specifically, ASEAN's experience implicates gender equality as part of the South-South economic cooperation.

Pasha (2022) concludes that the regionalism promoted under the ASEAN centrality and the ASEAN plus model marks a new pattern of regional economic integration. The pattern differs from the Western or European-centred experiences, which require binding and reciprocal benefits of trade agreements. Instead, the ASEAN model aims to pursue a relatively equal and fair relationship among the contracting parties. Therefore, the development need will be specifically concerned with trade negotiation. As a result, under the South–South cooperation, no one is the recipient or the donor to facilitate gender equality in the region. Instead, gender issues rely more on the spirit of burden-sharing and solidarity of all economies involved. In other words, gender equality is a public good that requires all economies to devote efforts at the national, regional and international levels.

Finally, this chapter emphasizes the significance of institutional arrangements in attaining effective gender policies. The experiences of ASEAN and APEC have affirmed that gender equality is a pervasive concern that spans various policy domains. It encompasses a broad spectrum of areas, including trade policy, industrial policy, labour policy and human resource development, as well as human rights and social welfare. While the priority and emphasis of gender issues vary in regional organizations, the implementation needs the support of institutional arrangements to reallocate resources. Nevertheless, the evolution of gender issues in ASEAN and APEC reveals that the adjustment of international arraignment could be a factor in initiating the change of gender policy or the result of the changes in gender policy.

Conclusion

Trade and gender were conceptualized as separate policy areas. It was also widely accepted that international trade and trade policy is gender neutral. However, the COVID-19 pandemic showed how disruptions in global trade caused severe challenges to women as workers and women-led businesses. Therefore, gender issues are vital to the sufficiency and effectiveness of policy measures responding to the pandemic and recovery. Nevertheless, while governments acknowledged that women suffered disproportionately during the pandemic, the policy decisions and responses to women's challenges vary in economies and regions.

By reviewing policy measures taken by economies and regional organizations in the Asia Pacific, this chapter argues the dynamic progress of forming the policies responding to the pandemic, from gender-neutral to gender-sensitive. How women's challenges were tackled during the pandemic can be seen as an integral component or extension of existing gender policies and protective measures. Furthermore, comparing the actions taken by ASEAN and APEC reveals diverse and dimensional gender issues. Significantly, the human rights-based and the ECOTECH-oriented approaches demonstrate possible governance patterns to

> In gender issues, governance has gradually departed from the traditional aid for trade policy based on the donor–recipient relationship.

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address gender policy in the context of international trade and regional economic integration. The emphasis and significance placed on gender issues may vary, but the background and institutional structures of regional organizations play a pivotal role in shaping the governance of the trade and gender nexus.

When the WTO announced the Joint Declaration on Trade and Women's Economic Empowerment in 2017, it marked a shifting paradigm in the international trade order and trade policy from gender-neutral to gender-sensitive. Furthermore, the Global Trade and Gender Arrangement initiated by three APEC members (i.e. Canada, Chile and New Zealand) in 2020 implicates the efforts to promote international governance of the trade and gender nexus. Therefore, the analysis of Asia-Pacific experiences in responding to the pandemic and promoting the linkage between trade and gender also contributes to the progress of gender concerns in international trade law.

We believe that the convergence and divergence of experiences within the Asia-Pacific region offer valuable insights into addressing various aspects of women's participation in trade and regional economic integration. Additionally, these experiences can enhance our understanding of the multifaceted and interconnected nature of gender issues, thereby expanding the scope of the trade and gender nexus policy within the multilateral mechanism. Of utmost importance is the acknowledgment of the synergistic relationship between regional and international governance, which could guarantee a harmonious equilibrium between global uniformity and regional distinctiveness in shaping the international framework for trade and gender.

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Endnotes

1. Chinese Taipei is a member of APEC. However, the database used in this chapter, the Global COVID-19 Gender Response Tracker, had incomplete information on Chinese Taipei. Therefore, to sustain the consistency of analysis, we did not include Chinese Taipei in the analytical scope of pandemic responses by Asia-Pacific economies.
2. Available at https://data.undp.org/gendertracker.
3. Point 14 of Article 1 in the ASEAN Charter indicates that one of the ASEAN's purposes is "to promote an ASEAN identity through the fostering of greater awareness of the diverse culture and heritage of the region".
4. Declaration of the Special ASEAN Summit on Coronavirus Disease 2019 (COVID-19), available at https://asean.org/wp-content/uploads/2021/09/FINAL-Declaration-of-the-Special-ASEAN-Summit-on-COVID-19.pdf.
5. ASEAN Declaration on One ASEAN, One RESPONSE: ASEAN Responding to Disasters as One in the Region and Outside the Region, available at https://asean.org/wp-content/uploads/2016/09/Declaration-on-One-ASEAN-One-Response.pdf.
6. Chairman's Statement of the 37th ASEAN Summit Ha Noi, available at https://asean.org/wp-content/uploads/43-Chairmans-Statement-of-37th-ASEAN-Summit-FINAL.pdf.
7. See APEC Leaders' Declarations for 2020 and 2021, available at https://www.apec.org/meeting-papers/listings/leaders-declarations.
8. See APEC Leaders' Declaration for 2020, available at https://www.apec.org/meeting-papers/listings/leaders-declarations.
9. See the 2020 and 2021 APEC Women and the Economy Forum Statements, available at http://mddb.apec.org/Documents/2020/MM/HLPD-WE/20_hlpd-we_dec.pdf and https://www.apec.org/meeting-papers/sectoral-ministerial-meetings/women/2021_women.
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12. The ASEAN Charter, Article 2(2).
13. The ASEAN Charter, Preamble.
14. As APEC economic leaders highlighted in the 2022 Annual Meeting: "Recognising that APEC is not the forum to resolve security issues, we acknowledge that security issues can have significant consequences for the global economy" (2022 Leaders' Declaration, para. 3, available at https://www.apec.org/meeting-papers/listings/leaders-declarations).
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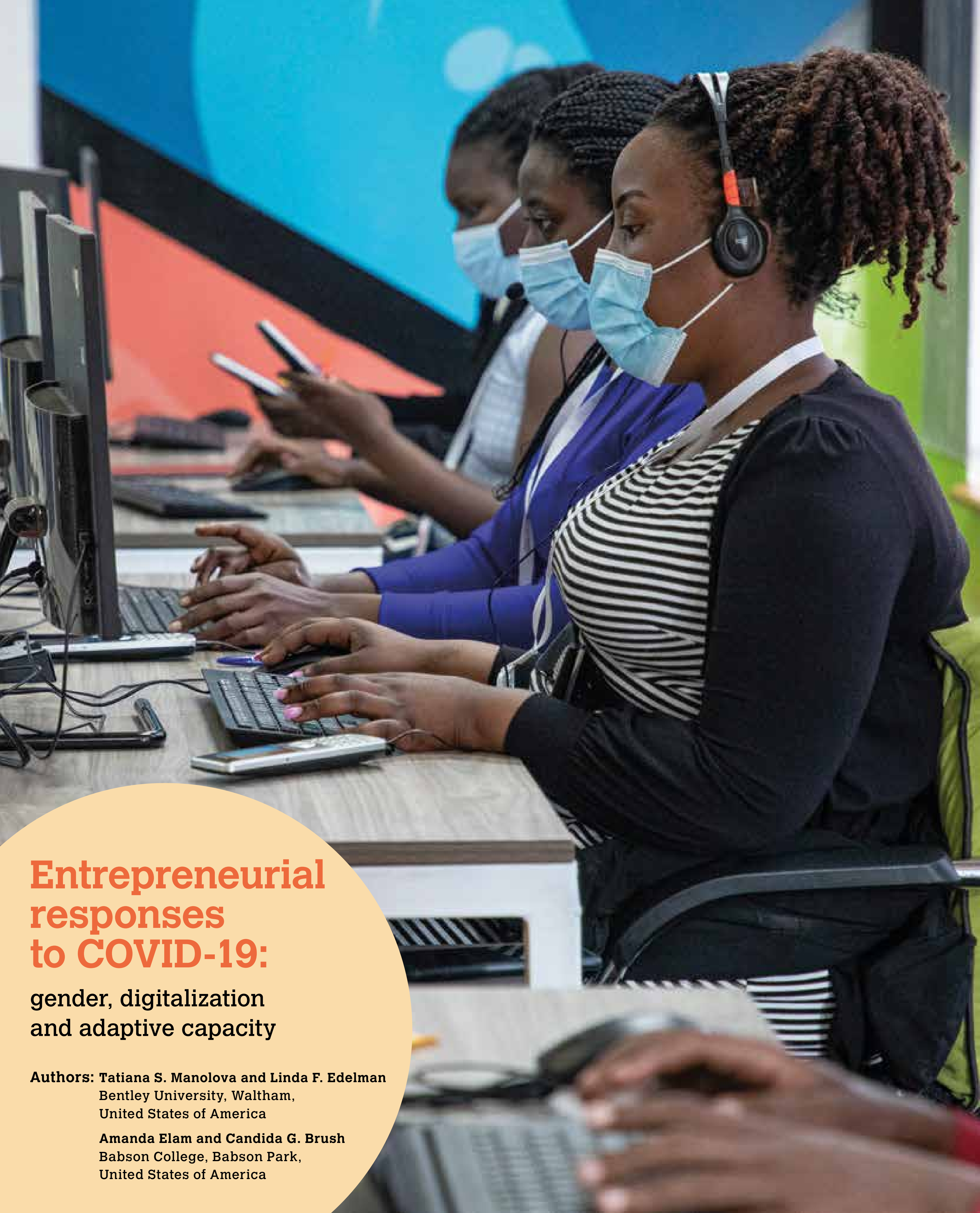

Entrepreneurial responses to COVID-19:

gender, digitalization and adaptive capacity

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Abstract

Women entrepreneurs were hit disproportionately hard by the COVID-19 pandemic, as their firms are generally younger, smaller and concentrated in industry sectors affected the most by economic shutdowns. However, very little research has addressed the ways in which women-led firms navigated these challenges. In this study, we investigate the ways in which women entrepreneurs adapted to the business repercussions of the COVID-19 pandemic. In particular, we focus on the implementation of digital tools as a viable instrument for building adaptive capacity.

Using data collected in December 2020 from 41,383 business leaders in 107 WTO members and observers, we explore two research questions: (1) What are the gendered differences in the adoption and use of digital tools for small businesses during times of market disruption? (2) Has the adoption of digital tools alleviated the pandemic impacts on women-led business (sales, employment) in different contexts of government response? We find that digitalization is an important source of adaptive capacity for all firms, but with limited potential to help women-led firms overcome the systemic inequalities, like sectoral and business size differences that put women-led firms at a significant disadvantage in the COVID-19 global pandemic crisis. Theoretical, practitioner and public policy implications are provided.

Introduction

Within months after the first known cases of COVID-19 emerged in December 2019, a global crisis arose causing lockdowns, social distancing and other protocols to contain and slow the spread of the virus. This exogenous shock caused severe economic disruptions to small businesses, causing them to quickly adopt new approaches to continue operations. From the beginning of the crisis, research findings showed disproportionate impacts on women-led businesses (Manolova *et al.*, 2020). These impacts were largely attributable to three main factors: (1) women-owned businesses are more often found in industries and markets most heavily impacted by the pandemic; (2) women-owned businesses are more likely to be new or small, hence more vulnerable to external shocks; and (3) women business owners/managers are more likely to bear the brunt of increased family demands due to childcare, school and elderly care closures.

However, relatively little research has addressed the ways in which women-led firms (firms owned/managed by women) navigated these impacts.[1] Even though it is much harder for new and small businesses, especially those run by women, to acquire resources needed to automate, market online or access new markets, particularly international markets, the pandemic forced the need for creative solutions (Berger and Kuckertz, 2016; Khlystova *et al.*, 2022). A recent study in Europe and the United States found that the use of a high number of digital tools was associated with 80 per cent more revenue for women-led companies, compared to an average increase of 60 per cent across all firms (Connected Commerce Council, 2021). In this way, digital technology served as an important source of "adaptive capacity" for alleviating the impacts of the COVID-19 crisis on small and medium-sized enterprises (SMEs).

Focusing specifically on the gendered effects of digitalization on sales revenue growth, including through internationalization, digital technologies can have a powerful "democratizing" effect by leveling the playing field, providing access to international market knowledge, and facilitating interactions with customers and trading partners across national borders. For example, a recent study of a representative sample of 300 Bulgarian SMEs documented that female entrepreneurs leveraged the enabling effects of digital technologies more than their male counterparts in adapting to, and benefiting from, international trade opportunities (Pergelova *et al.*, 2019).

We frame our inquiry around the concept of adaptive capacity (Chakravarthy, 1982), complemented by a gender lens. Adaptive capacity is the ability of a system (or a social organization) to handle stresses and to adjust and respond to the effects caused by those stresses (Smit *et al.*, 2001). We argue that one way to build adaptive capacity is through the use of digital tools but we add a gender lens to this perspective. In sum, we argue that digitalization is a critical component of adaptive capacity for small firms under stress and a source of resilience and flexibility during a period of humanitarian crisis and extreme market disruption.

To explore the phenomenon of interest to our investigation, we ask two broad research questions, each looking at the different ways in which firms apply adaptive capacity to deal with the COVID-19 pandemic. More specifically, we ask: (1) What are the gendered differences in the adoption and use of digital tools for small businesses during times of market disruption? (2) Has the adoption of digital tools alleviated the pandemic impacts on women-led business (sales, employment) in different contexts of government response? We find that digitalization is an important source of adaptive capacity for all firms, but with limited potential to help women-led firms overcome the systemic inequalities, like sectoral and business size differences, that put women-led firms at a significant disadvantage in the COVID-19 global pandemic crisis.

Our study makes two main contributions. First, within the theoretical stream on adaptation and adaptive capacity, we explore some of the mechanisms of building adaptive capacity,

"We find that digitalization is an important source of adaptive capacity for all firms, but with limited potential to help women-led firms overcome the systemic inequalities.

namely the use of digital tools, in a unique sample of 41,383 business leaders from 107 WTO members and observers around the world, and in the context of their experiences coping with the COVID crisis. We also explore the boundary conditions on the introduction and effectiveness of these mechanisms by stratifying our sample by the degree of severity of the crisis, specifically the strength of government response (both in terms of containment measures and in business support). Second, we contribute to the growing literature on the gendered patterns of technology adoption (Jome *et al.*, 2006; Pergelova *et al.*, 2019), by exploring some of the gender-specific antecedents to and outcomes of digitalization.[2]

We proceed as follows. After a brief review of the literature, we develop our arguments on gendered response to market disruptions and the role of digital tools as important coping mechanisms under different regimes of government response. We then present our methodology, followed by the results from our statistical analysis. We conclude by discussing the theoretical, practitioner and public policy implications of our study.

Literature review

Adaptive capacity is a "dynamic process of continuous learning and adjustment that permits ambiguity and complexity" (Staber and Sydow, 2002). Organizations with adaptive capacity can reconfigure themselves quickly in changing environments, and this ability is often rooted in the information processing ability of an organization (Chakravarthy, 1982). Theory argues that organizations need to build adaptive capacity in order to be effective in hypercompetitive environments, by developing the ability to cope with unknown future circumstances, anticipate changes, and reconstruct environments "in ways that change the conditions to which they then adapt" (Staber and Sydow, 2002). This ability depends on their stocks of "organizational slack", which is an actual or potential resource allowing an organization to negotiate internal or external pressures (Cyert and March, 1963).

Market disruption and adaptive capacity

When it comes to coping with market disruption, the COVID-19 pandemic offers a unique context for which there is no documented equivalent in the entrepreneurship literature. However, we can draw on the broader stream of literature from crisis management to inform us, at least in some part, of the ways in which small businesses were impacted by the COVID crisis and how they adapted. Pearson and Clair (1998) defined a crisis as "a low probability, high-impact situation that is perceived by critical stakeholders to threaten the viability of the organization". One stream of crisis management literature explores country-level institutional change in the face of widespread crises. This work finds that as institutions change in response to a crisis, entrepreneurial ventures fare poorly (Williams and Vorley, 2015). This is particularly salient in entrepreneurial finance, where cash and credit are more readily available to larger and older firms than to smaller businesses. Specifically, micro-businesses tend to fare the worst, with medium-sized and small-sized businesses 19 and 12 per cent more likely to be offered the finance required, respectively (Cowling *et al.*, 2012).

However, in contrast to the traditional view that SMEs are subject to financial constraints during crises, Cosh *et al.* (2009) found no evidence of financial hardship. Instead, the businesses they studied suffered more from loss of customers or markets. This suggests that market-building strategies are increasingly important for firms undergoing crises. Alternatively, previous studies show that despite the reduction in money or changes in markets during a crisis (Cowling *et al.*, 2012; Williams and Vorley, 2015), there is evidence of adaptive capacity in the form of resilience (Doern, 2017). A study of the economic crisis in Greece found that resilience considers the processes by which firms assemble and then use resources before, during and after a crisis (Williams *et al.*, 2017). In essence, it is resilience that enables organizations to respond to crisis and then to recover (Linnenluecke, 2017; Shin *et al.*, 2012; Vogus and Sutcliffe, 2007). Studies document that small businesses employ a variety of strategies to cope with crises, including cost-cutting, market building and reliance on relational capabilities (Belitski *et al.*, 2022; Block *et al.*, 2022; Radziwon *et al.*, 2022; Williams, 2017).

Women entrepreneurs and crisis response

Research suggests that men and women business leaders respond differently to external shocks. Men are more likely to continue operating and women are more likely to close their businesses (Bradshaw, 2013; Young *et al.*, 2017). This translates into the way they manage their ventures, with women exhibiting more risk aversion than their male counterparts (Gimenez-Jimenez *et al.*, 2020.) Studies also point to physiological differences between men and women, which translate into differences in risk perceptions (Apicella *et al.*, 2015). These studies posit that men perceive risky situations as calls for participation, while women view similar situations as threats that encourage avoidance (Croson and Gneezy, 2009). Unfortunately, these differences can lead to firm failure, as Marshall *et al.* (2015) found in their study of gendered responses to Hurricane Katrina in the United States.

There is compelling evidence that the COVID-19 pandemic disproportionately impacted women entrepreneurs (UN Women, 2020; Werner, 2020). For example, women were more likely to suffer earnings losses, layoffs, reduced working hours and employee salary reductions (Birhanu *et al.*, 2022; Graeber *et al.*, 2021; Yavorsky *et al.*, 2021). This is due to key structural differences between men and women-owned businesses, whereby women-owned businesses are typically concentrated in industry sectors hardest hit by economic shutdowns, specifically consumer-based retail, food and other service ventures. Women-owned businesses also tend to be smaller, younger and less well-financed than men-owned businesses. Consider recent data from the Global Entrepreneurship Monitor showing that 50 per cent of women entrepreneurs operate in the wholesale/retail trade sector, compared to 42.6 per cent of men and that 17.2 per cent of women operate in government/health/education and social services, compared to 10.1 per cent of men (Elam *et al.*, 2019). These sectors tend to have business-to-consumer business models as compared to the more popular business-to-business models. In addition, these sectors are characterized by a high threat of new entrants and high rivalry, leading to fierce competition, which often results in a race to the bottom.

“Women-owned businesses are typically concentrated in industry sectors hardest hit by economic shutdowns, specifically consumer-based retail, food and other service ventures.

Finally, contextual factors also impact women's response to the pandemic. Women bear a disproportionate amount of childcare responsibility. While daunting in non-pandemic times, this heavy burden of family responsibilities became greater during the pandemic when traditional preschools and K-through-12 schools shut down. A quote from a female Indian IT executive interviewed by Venkataraman and Venkataraman (2021) is illustrative:

> "I have always thought I am good at multitasking, but during the lockdown, it is difficult for me to prioritize my work whether it is work calls, household chores, or online classes for my kid.... I am struggling because my fears and pessimism have overtaken me."

In summary, there is evidence from past crises, including Hurricane Katrina and others, as well as from studies of COVID-19 effects, that women-led businesses were disproportionately affected when compared with men-led firms.

Digitalization, adaptive capacity and gender

Digital tools take three main forms, digital artifacts, digital platforms and digital architectures (Nambisan, 2017). A digital artifact is "a digital component, application, or media content that is part of a new product (or service) and offers a specific functionality to the user" (Nambisan, 2017), for example an application running on a smartphone or a smartwatch. A digital platform is defined as "a shared, common set of services and architecture that serves to host complementary offerings, including digital artifacts" (Nambisan, 2017). Finally, digital architecture is defined as "digital technology tools and systems (e.g. cloud computing, data analytics, online communities, social media, 3D printing, digital makerspaces, etc.) that offer communication, collaboration, and/or computing capabilities to support innovation and entrepreneurship" (Nambisan, 2017). Digital architectures, in particular, are credited with creating a powerful "democratizing effect" because they lower the barriers to entry and allow a greater number and a diverse set of people to engage in business exchange, including international market exchange (Aldrich, 2014; Nambisan, 2017; Pergelova *et al.*, 2019). The adoption of digital technologies and the development of strategic, managerial and digital skills to increase business efficiency can enable adaptation to the COVID-19 pandemic (Audretsch and Belitski, 2021).

In response to the COVID crisis, many small firms moved operational activities online to connect with users, markets and suppliers, sell products and manage financial transactions, and oversee employees (Connected Commerce Council, 2021). On the surface, the benefits of digitalization to small businesses for marketing, communication and operations are intuitive, however, there is also the possibility that small firms may have invested in digital tools and platforms that were costly, required a steep learning curve or did not work.

Studies about women entrepreneurs and use of digital technologies are mixed, with some showing that continuous change in technology can be challenging (Rajahonka and Villman, 2019), while other studies show that these can be beneficial for engagement in social media, to connect with networks or to manage employees (Bernhard and Olsson, 2020). Empirical research using large datasets from developing countries has established that – contrary to popular beliefs – when controlling for education, income and employment, women are more enthusiastic and more active users of digital tools than men (Hilbert, 2011). However, some women entrepreneurs experienced challenges in the adoption of digital technologies, especially social media, because of a blurring of work and family (Rajahonka and Villman, 2019). A qualitative study found that women entrepreneurs' use of digital technologies was challenging because of limited resources, a lack of training, and stress and burn-out related to external demands of online presence (Bernhard and Olsson, 2021).

In a systematic review of the literature on the economic effects of the COVID-19 pandemic on entrepreneurship and small business, Belitski *et al.* (2022) reported that "the emergence of digital technologies has significantly reduced the economic costs of data – search, storage, computation, transmission – and enabled new economic activities during the COVID-19 pandemic and a change in lifestyle". Still, there is a gap in understanding which digital tools and capabilities are most effective, or need to be further developed, in order for firms to respond to the opportunities presented by COVID-19 for digitalization and business model change (Seetharaman, 2020). There is an even greater gap in understanding the gender dynamics in the adoption of, and effectiveness of, digital tools, contingent on the level of market disruption and type of government response.

Thus, almost a quarter of the women entrepreneurs surveyed by the Diana International Research Institute reported business model changes, with the transition or expansion to online services and sales stated as a clear opportunity, followed by over 15 per cent identifying online marketing and better financial management and planning as needed going forward (Manolova *et al.*, 2020). However, taking advantage of these digital affordances is heavily contingent on women's access to information and communication technologies, and time constraints in getting the required knowledge and digital skills. Over half of the global female population (52 per cent) is still not using the Internet, compared to 42 per cent of all men (ITU, 2019); and more men than women use the Internet in every region of the world except the Americas, which has near-parity (ITU, 2019). In their white paper on COVID-19 response strategies, addressing digital gender divides, Nefesh-Clarke *et al.* (2020) conclude that although "digital solutions exist to mitigate the impacts of the pandemic on women workers and entrepreneurs, girls' and women's lack of connectivity, access to devices, low literacy and lack of digital skills are significant impediments to benefiting from these and other COVID-19 relief measures."

Even in areas where women entrepreneurs have good access to information and communication technologies, such as the EU area, there remain gaps in the utilization of advanced digital technologies. A recent study by the European Investment Bank documented that while female-led firms are more likely to have a website compared to male-led companies, they lack in the deployment of more advanced technologies, such as cognitive technologies, blockchain or the Internet of Things (EIB, 2022). In this study, therefore, we are specifically interested in the gendered usage of digital tools as instruments of adaptive capacity during a period of severe market disruption.

"Some women entrepreneurs experienced challenges in the adoption of digital technologies, especially social media, because of a blurring of work and family.

Methodology

Source of data

We explore our two research questions using data from the last wave (December 2020) of the Future of Business Survey run by Facebook (Meta, since October 2021), in collaboration with the Organisation for Economic Co-operation and Development and the World Bank. The initial sample included 41,894 business leaders (firms) in 107 WTO members and observers. Missing data in some of the categories resulted in a usable sample size of 41,383, for which we report the results from statistical testing.

Measures

Our dependent variables include two business outcomes, year-on-year (YoY) performance in sales and YOY performance in employment, from November 2019 to 2020. We operationalize "adaptive capacity" as the levels and types of digitalization used by the business leaders in our sample (firm-level). Digitalization measures include digital tool use, types and uses of digital tools, obstacles and impacts of digitalization. For data at the level of WTO members and observers, we draw on indicators from the Oxford COVID-19 Government Response Tracker (OxCGRT), which includes information on the types and timing of containment and relief measures taken by governments around the world.[3] We use two index measures characterizing the government response in each WTO members and observers to segment them in our sample: stringency and economic support. Stringency of government response to the pandemic consists of nine items, including: school closures; workplace closing; cancellation of public events; restrictions on gatherings; public transportation; stay at home orders; restrictions on internal movement; international travel controls; and public information campaigns. Economic support included two items: income support and debt/contract relief for households. To answer our two research questions, we performed a regression analysis to identify significant associations, net key control variables, coupled with correlation and cross-tabulation analysis to quantify rates and gender differences in digitalization and YoY performance outcomes.

Sample description

Among the 107 WTO members and observers in the sample, the OxCGRT ranged from 23 to 80 with a mean value of 57.26. More than two-thirds (69) scored in the top third for stringency of the government response to the pandemic, with 31 in the middle third and only seven in the lower third. The OxCGRT Economic Support Index for November 2020 ranged from zero to 100, with a mean value of 53. The majority of WTO members and observers (43) scored in the top third for economic support in response to the pandemic, with 40 in the middle third and 24 in the lower third. The distribution of WTO members and observers across the three levels of stringency of government response and government economic support is reported in Table 1.

Table 1: WTO members and observers, by level of stringency and economic support

Level of stringency	Level of economic support		
	Lower third	Middle third	Upper third
Lower third	Burkina Faso Nicaragua Tanzania	Chinese Taipei	Lao People's Democratic Republic New Zealand Senegal
Middle third	Angola *Belarus* *Bosnia and Herzegovina* Botswana Cameroon Dominican Republic *Ethiopia* Ghana Guinea Kenya Liberia Malawi Mali Mozambique Nigeria Sierra Leone Trinidad and Tobago Uganda Zambia	Albania *Azerbaijan* Benin Brazil Bulgaria Cambodia Costa Rica Croatia Germany Guatemala Haiti Hungary India Indonesia *Iraq* Korea, Rep. of Lithuania Morocco Nepal Norway Paraguay Qatar Russian Federation Saudi Arabia, Kingdom of Serbia Sweden Switzerland United Arab Emirates Viet Nam	Australia Belgium Colombia Denmark Ecuador Egypt El Salvador Finland Hong Kong, China Israel Japan Netherlands Oman Pakistan Panama Singapore South Africa Thailand Togo Türkiye Uruguay
Upper third	Bolivia, Plurinational State of *Libya*	*Algeria* Bangladesh Canada Czech Republic France Jordan Kuwait, the State of Lebanese Republic Peru United States of America	Argentina Austria Chile Cyprus Greece Honduras Ireland Italy Malaysia Mexico Myanmar Philippines Poland Portugal Romania Slovak Republic Spain Tunisia United Kingdom

Source: Future of Business Survey, December 2020, authors' calculations. WTO observers are in italics.

As reported in Table 2, the average age of the business leaders surveyed was about 40 years old with no significant gender difference. However, women leaders were slightly more educated (75 per cent of women vs 70 per cent of men had secondary school or higher; $p < 0.001$). Significant gender differences were found for business characteristics. Women reported slightly younger firms (36.6 per cent of women vs 28.7 per cent of men with firms less than one year old; $p < 0.05$) and were twice as likely to report having no employees: 19.1 per cent of women versus 9.8 per cent of men; $p < 0.05$). Women-led firms showed significantly lower presence in traditionally male-dominated sectors, including information, computers and technology, manufacturing and transportation, and agriculture and construction ($p < 0.001$). While the majority of respondents reported businesses in whole/retail and consumer services and other sectors, 86 per cent of women operated in services and other sectors versus 66 per cent of men ($p < 0.001$).

Table 2: Individual sample description (n = 41,383)

Variables	N	Total	Women	Men	Sig
Female	41,383	37%	15,312		
Age (mean years)	41,142	39	40	39	ns
Secondary education or more	40,040	72.3%	75.7%	70.3%	*
Business age < 1 year	37,574	31.6%	36.6%	28.7%	*
Business size (employees)	29,766				
No employees (%)		13.2	19.1	9.8	*
1-24 employees (%)		79.1	75.4	81.2	*
25 or more employees (%)		7.8	5.6	9.0	*
Industry	39,294				
Internet, computers and technology (%)		9.0	5.7	10.9	***
Wholesale/retail and consumer services (%)		32.8	36.2	30.8	***
Manufacturing and transportation (%)		5.8	2.6	7.6	***
Agriculture and construction (%)		10.8	5.4	14.0	***
Other (%)		41.6	50.0	36.7	***
YoY sales change	13,476				
Lower than last year (%)		64.60	60.20	66.90	**
Same or higher than last year (%)		35.40	39.80	33.10	**
Digital use change	15,363				
Same or lower than last year (%)		53.60	49.80	55.50	**
Increased (%)		46.40	50.20	44.50	**

Source: Future of Business Survey, December 2020, authors' calculations. Significance level (Sig) is the level of probability (p) that the null hypothesis is rejected when it is true. A significance level of 0.05 indicates a 5% chance of concluding there is a difference between the two groups when there is no actual difference; a significance level of 0.01 indicates a 1% chance, and a significance level of 0.01 indicates a 0.1% chance. *** $p < 0.001$; ** $p < 0.01$; * $p < 0.05$.

Results

Research question 1: Gendered differences in the adoption and use of digital tools

At the correlation level of analysis (see Table 3), on average, and across all levels of government response, there is a positive association between female leadership and starting/increasing digital tool usage, as well as the change to digital tools being permanent. However, the association between female leadership and the number of digital tools being used is negative. In terms of the types of digital tools being used, the association between female leadership and usage of digital tools is mostly negative, with one exception – online sales platforms. However, female entrepreneurs demonstrate great versatility of digital tool usage, with positive associations across advertising, communications, e-commerce and online payments. The association, however, is negative for government transactions and R&D.

Table 3: Partial Pearson correlations

	Female
YoY sales 2019-2020	-0.033**
YoY employment 2019-2020	0.038**
Individual age	0.021**
Individual education	0.058**
Business age < 1 year	-0.097**
Business size (employees)	-0.106**
Internet, computers and technology	-0.088**
Wholesale/retail services	0.053**
Manufacturing and transportation	-0.104**
Agriculture and construction	-0.132**
Digital change	
Digital use start/increase	0.077**
Digital change permanent	0.020**
Digital tool number	-0.039**
Digital tool types	
Broadband	0
Teleworking (>50% employees)	-0.033**
Online sales	0.076**
Cloud computing	-0.040**
Enterprise resource planning	-0.066**
Supply chain	-0.063**
Customer relationship management	-0.033**

	Female
Digital tool uses	
Advertising	0.060**
Communications	0.042**
E-commerce	0.025**
Payments	0.031**
Government	-0.049**
R&D	-0.015*
Digitalization obstacles	
Lack of knowledge	0.033**
Cost of purchase	0
Integration difficulty	-0.038**
Lack of user skills	0.041**
Digitalization impacts	
Increase sales	-0.015
Lower costs	-0.063**
Increase customers or suppliers	-0.014
Access business intelligence	-0.047**
Increase employment	-0.069**
No impact	0.027**
Government response impact	
Economic support Nov20	0.095**
Stringency Nov20	0.025**

Source: Future of Business Survey, December 2020, authors' calculations. ** $p < 0.01$; * $p < 0.05$; Pearson correlation (2-tailed).

Lack of knowledge and user skills are the obstacles significantly associated with female business leaders, as opposed to integration difficulty, which shows a negative association, or cost of purchase, where the association is not significant (i.e. there is gender parity in the importance of cost of purchase). Interestingly, women were more likely to report that digitalization had no significant impact on their businesses. Finally, in line with our interest in the effect of digitalization on female entrepreneurs' performance under different regimes of government response, women were significantly affected by both the economic support of the government, and by the stringency of the response measures.

In further analyses, we took a finer-grained look at the gendered differences in digitalization across different levels of government response.[4] Half of the women across 107 WTO members and observers used new digital tools in response to the pandemic, compared to 44.6 per cent of men ($p < 0.001$). This gender difference was consistent across all levels of stringency and economic support. Please note, however, that the correlation data were analysed at the population level, precluding finer-grained analysis by economic sector. The highest rates for women were found in the lower third level of economic support (57.1 per cent) and the highest third level of stringency (53.3 per cent). The lowest rates by levels of government response were found in the middle third categories of both stringency and economic support.

Over 70 per cent of women leaders said the use of the new digital tools would be permanent compared to 68.2 per cent of men ($p < 0.001$). The higher rate of women reporting a permanent use of new digital tools was consistent across all levels of government response, except for the middle third level of economic support where women were closest to parity with men. The median number of new digital tools adopted by men and women was one new digital tool, but there was a significant difference in the mean number of new tools reported with men reporting a slightly higher average number of new digital tools (1.57 for women vs 1.68 for men; $p < 0.001$).

Across levels of government response, women were more likely than men to report using e-commerce tools at all levels of stringency and economic support except in the lower third level of stringency. In fact, the lowest levels of adoption of most types of digital tools for women were found in WTO members and observers in the lower third level of stringency. Meanwhile the highest rates of adoptions for different tools were scattered across levels of government response and are best explained by the types of businesses women and men lead.

As reported above, women were significantly more likely than men to report using new digital tools adopted because of the pandemic for advertising, communications, e-commerce and payments, while the reverse was true for government transactions and R&D. The gender pattern in rates was generally consistent across all levels of government response with two exceptions. Women were equally likely to use new digital tools for advertising in lower third level stringency contexts (54.2 per cent of women vs 54.9 per cent of men). Women were also close to parity with men in the upper third level of economic support (33.3 per cent of women vs 32.9 per cent of men).

Women leaders were significantly more likely than their male peers to report lack of knowledge (31.8 per cent vs 29.1 per cent; $p < 0.001$) and lack of user skills (29.5 per cent vs 26.0 per cent; $p < 0.001$) as obstacles to the adoption of new digital tools. However, the most commonly reported obstacle was the cost of purchasing new digital tools with 54 per cent of both women and men citing this obstacle. Women were significantly less likely than men to cite integration difficulty as an obstacle to digitalization (26.1 per cent vs 29.2 per cent; $p < 0.001$). Lack of knowledge was more often reported by women at the lower third level stringency context (36.8 per cent) and the upper third level of economic support (33.6 per cent). For cost of purchase as a digitalization obstacle, women were close to parity with men in contexts in the upper third level of stringency and upper third level of economic support. However, women in the lower third of economic support were the most likely to report cost as a digitalization obstacle. Gender differences in integration difficulty was consistent across all levels of government response, but not so for lack of user skills. Women were actually less likely than men to report lack of user skills as an obstacle to digitalization in the lower third level of stringency and economic support.

> Half of the women across 107 WTO members and observers used new digital tools in response to the pandemic, compared to 44.6 per cent of men.

When asked how the use of new digital tools has impacted the business, women were significantly more likely than men to report no impact on the business (34.3 per cent vs. 31.6 per cent; $p < 0.001$). Even when they did report a positive impact of new digital tool use, women were significantly less likely than men to cite lower operations costs (15.1 per cent vs 20.7 per cent; $p < 0.001$), access to digital solutions or business intelligence (22.1 per cent vs 23.9 per cent; $p < 0.001$), and increased employment (5.8 per cent vs 9.2 per cent; $p < 0.001$). No significant gender differences were observed for the most commonly reported impacts: increased sales (24.4 per cent vs 26.5 per cent) and increased customers or suppliers (22.1 per cent vs 23.9 per cent).

Research question 2: Digitalization effects

Regression results provided significant associations between our two measures of business performance, YoY sales and YoY employment change and digitalization, controlling for key individual and business characteristics. We started with a basic model including the key structural variables (gender, response stringency and economic support), then added the key individual and business characteristics, and then explored sequentially different aspects of digitalization.

Year-on-year sales change

For YoY sales change, Model 1 showed significant negative relationships for being female, stringency of the government pandemic response and government economic support. Controlling for individual and business characteristics explained the relationship between economic support on YoY sales change but did not explain the gender effect or the influence of stringency on YoY sales across Models 2-7 (see Table 4). Among the controls, YoY sales change was significantly and negatively associated with the age of the business leader and the age of the business, but significantly and positively associated with the size of the business across Models 2-7. The influence of sectoral differences on YoY sales varied depending on the digitalization variables tested. In Model 2, significant positive effects were found for the Internet, computers and technology, and agriculture and construction sectors, while a significant negative effect was found for wholesale/retail and consumer services, and manufacturing and transportation sector in reference to other industries sectors, net all other factors.

Table 4: Regression results for year-on-year sales change

Variable	Model 1 stand B (se)	Model 2 stand B (se)	Model 3 stand B (se)	Model 4 stand B (se)	Model 5 stand B (se)	Model 6 stand B (se)	Model 7 stand B (se)
Response stringency	-0.046*** (0)	-0.04*** (0)	-0.034** (0)	-0.038*** (0)	-0.04*** (0)	-0.039*** (0)	-0.042*** (0)
Economic support	-0.037*** (0)	-0.002 (0)	0.008 (0)	0.005 (0)	0.005 (0)	-0.001 (0)	0.014 (0)
Female	-0.028*** (0.01)	-0.025** (0.02)	-0.052*** (0.02)	-0.04*** (0.02)	-0.041*** (0.02)	-0.044*** (0.02)	-0.042*** (0.02)
Individual age		-0.045*** (0.01)	-0.029* (0.01)	-0.036** (0.01)	-0.034** (0.01)	-0.03** (0.01)	-0.014 (0.01)
Individual education		-0.005 (0.02)	-0.008 (0.03)	-0.007 (0.02)	-0.007 (0.02)	0 (0.02)	-0.02 (0.02)
Business age < 1 year		-0.137*** (0.01)	-0.138*** (0.01)	-0.13*** (0.01)	-0.127*** (0.01)	-0.137*** (0.01)	-0.123*** (0.01)
Business size (employees)		0.068*** (0.01)	0.033** (0.01)	0.038*** (0.01)	0.038*** (0.01)	0.042*** (0.01)	0.047*** (0.01)
Internet, computers and technology		0.027** (0.03)	0.023 (0.03)	0.019 (0.03)	0.026* (0.03)	0.015 (0.03)	0.031** (0.03)
Wholesale/retail and consumer services		-0.046*** (0.02)	-0.045*** (0.02)	-0.044*** (0.02)	-0.051*** (0.02)	-0.046*** (0.02)	-0.057*** (0.02)
Manufacturing and transportation		0.002 (0.03)	-0.006 (0.05)	0.003 (0.04)	0.007 (0.04)	0.002 (0.04)	0.01 (0.04)
Agriculture and construction		0.027** (0.02)	0.035** (0.03)	0.047*** (0.03)	0.039*** (0.03)	0.045*** (0.03)	0.045*** (0.03)
Digital change							
Digital use start/increase			0.1*** (0.01)	0.091*** (0.01)	0.098*** (0.01)	0.1***	0.099*** (0.01)
Digital change permanent			-0.115*** (0.02)				
Digital tools number			0.057*** (0.01)				
Digital tool types							
Broadband				-0.002 (0.02)			
Teleworking (>50% employees)				-0.007 (0.03)			
Online sales				0.000 (0.02)			
Cloud computing				0.064*** (0.03)			
Enterprise resource planning				0.035** (0.03)			

Variable	Model 1 stand B (se)	Model 2 stand B (se)	Model 3 stand B (se)	Model 4 stand B (se)	Model 5 stand B (se)	Model 6 stand B (se)	Model 7 stand B (se)
Supply chain				0.002 (0.04)			
Customer relationship management				0.005 (0.03)			
Digital tool uses							
Advertising					-0.047*** (0.002)		
Communications					-0.019 (0.02)		
E-commerce					0.02 (0.02)		
Payments					0.019 (0.02)		
Government					-0.008 (0.03)		
R&D					0.006 (0.02)		
Digitalization obstacles							
Lack of knowledge						-0.025* (0.02)	
Cost of purchase						-0.069*** (0.02)	
Integration difficulty						-0.041*** (0.02)	
Lack of user skills						-0.032** (0.02)	
Digitalization impacts							
Increase sales							0.115*** (0.02)
Increase employment							0.071*** (0.04)
Lower operations costs							-0.082*** (0.02)
Increase customers of suppliers							0.007 (0.02)
Access to digital solutions or business intelligence							-0.004 (0.03)
Constant	1.98*** (0.03)	2.267*** (0.04)	2.112*** (0.06)	2.005*** (0.06)	2.059*** (0.06)	2.126*** (0.06)	1.912*** (0.06)
Adjusted R^2	0.006	0.034	0.05	0.043	0.04	0.043	0.064

Source: Future of Business Survey, December 2020, authors' calculations. *** $p < 0.001$; ** $p < 0.01$; * $p < 0.05$.

Table 5: Regression results for year-on-year employment change

Variable	Model 1 stand B (se)	Model 2 stand B (se)	Model 3 stand B (se)	Model 4 stand B (se)	Model 5 stand B (se)	Model 6 stand B (se)	Model 7 stand B (se)
Response stringency	-0.046*** (0)	-0.04*** (0)	-0.034** (0)	-0.039*** (0)	-0.038*** (0)	-0.039***	-0.041*** (0)
Economic support	-0.037*** (0)	-0.002 (0)	0.008 (0)	0.089*** (0)	0.089*** (0)	0.094*** (0)	0.09*** (0)
Female	-0.028*** (0)	-0.025** (0.02)	-0.052*** (0.02)	0.015 (0.01)	0.012 (0.01)	0.012 (0.01)	0.021* (0.01)
Individual age		-0.045*** (0.01)	-0.029* (0.01)	-0.009 (0.01)	-0.009 (0.01)	-0.004 (0.01)	0.009 (0.01)
Individual education		-0.005 (0.02)	-0.008 (0.03)	-0.004 (0.01)	-0.004 (0.01)	0.008 (0.01)	-0.018 (0.01)
Business age < 1 year		-0.137*** (0.01)	-0.138*** (0.01)	-0.073*** (0.01)	-0.068*** (0.01)	-0.071*** (0.01)	-0.067*** (0.01)
Business size (employees)		0.068*** (0.01)	0.033** (0.01)	-0.048*** (0.01)	-0.046*** (0.01)	-0.046*** (0.01)	-0.045*** (0.01)
Internet, computers and technology		0.027** (0.03)	0.023 (0.03)	-0.011 (0.02)	-0.006 (0.02)	-0.006 (0.02)	0.004 (0.02)
Wholesale/retail and consumer services		-0.046*** (0.02)	-0.045*** (0.02)	-0.06*** (0.01)	-0.061*** (0.01)	-0.061*** (0.01)	-0.063*** (0.01)
Manufacturing and transportation		0.002 (0.03)	-0.006 (0.05)	-0.011 (0.02)	-0.011 (0.02)	-0.006 (0.03)	-0.011 (0.03)
Agriculture and construction		0.027** (0.02)	0.035** (0.03)	0.015 (0.02)	0.011 (0.02)	0.01 (0.02)	0.009 (0.02)
Digital change							
Digital use start/increase			0.1*** (0.01)	0.085*** (0)	0.09*** (0)	0.095*** (0)	0.103*** (0.01)
Digital change permanent			-0.115*** (0.02)				
Digital tools number			0.057*** (0.01)				
Digital tool types							
Broadband				0.027** (0.01)			
Teleworking (>50% employees)				-0.013 (0.02)			
Online sales				-0.001 (0.01)			
Cloud computing				0.061*** (0.02)			
Enterprise resource planning				0.011 (0.02)			
Supply chain				0.008 (0.02)			

Variable	Model 1 stand B (se)	Model 2 stand B (se)	Model 3 stand B (se)	Model 4 stand B (se)	Model 5 stand B (se)	Model 6 stand B (se)	Model 7 stand B (se)
Customer relationship management				0.015 (0.02)			
Digital tool uses							
Advertising					-0.025 (0.01)		
Communications					0.033*** (0.01)		
E-commerce					0.006 (0.01)		
Payments					0.017 (0.01)		
Government					-0.01 (0.02)		
R&D					0.016 (0.01)		
Digitalization obstacles							
Lack of knowledge						-0.014 (0.01)	
Cost of purchase						-0.028** (0.01)	
Integration difficulty						-0.022* (0.01)	
Lack of user skills						-0.01 (0.01)	
Digitalization impacts							
Increase sales							0.048*** (0.01)
Increase employment							-0.006 (0.02)
Lower operations costs							0.07*** (0.02)
Increase customers of suppliers							-0.077*** (0.02)
Access to digital solutions or business intelligence							0.009 (0.01)
Constant	1.98*** (0.03)	2.267*** (0.04)	2.112*** (0.06)	1.811*** (0.03)	1.807*** (0.03)	1.827*** (0.04)	1.77*** (0.03)
Adjusted R^2	0.006	0.034	0.05	0.034	0.03	0.029	0.043

Source: Future of Business Survey, December 2020, authors' calculations. *** $p < 0.001$; ** $p < 0.01$; * $p < 0.05$.

As shown in Model 3, the use and number of new digital tools were significantly and positively correlated with YoY sales change (0.1, $p < 0.001$; 0.057, $p < 0.001$), while the permanence of these changes was significantly and negatively correlated with YoY sales change (-0.115, $p < 0.001$), net all the control variables. Model 4 showed significant positive associations between two types of digital tools, cloud computing (0.064, $p < 0.001$) and enterprise resource planning tools (0.035, $p < 0.01$). Model 5 showed a significant negative effect of digital tool use for advertising on YoY sales change (-0.047, $p < 0.001$). Model 6 showed significant negative effects for all four digitalization obstacles tested – lack of knowledge (-0.025, $p < 0.05$), cost of purchase (-0.069, $p < 0.001$), integration difficulty (-0.041, $p < 0.001$) and lack of user skills (-0.032, $p < 0.01$). Finally, Model 7 showed significant positive effects of three digitalization impacts on YoY sales change – increase in sales (0.115, $p < 0.001$), increase in employment (0.071, $p < 0.001$), and lower operations costs (-0.082, $p < 0.001$).

Year-on-year employment change

For YoY employment change, we followed the same logic for specifying the regression equations. Model 1 showed significant negative relationships for being female, stringency of the government pandemic response and government economic support (see Table 5). Controlling for individual and business characteristics (Model 2) explained the effect of economic support on YoY sales but did not explain the gender effect or the influence of stringency on YoY sales. Among the controls, YoY employment change was significantly and negatively associated with the age of the business leader and the age of the business, but significantly and positively associated with the size of the business across Models 2-7, indicating that older and smaller companies and those led by older entrepreneurs added fewer employees. Sectoral influence on YoY sales varied depending on the digitalization variables tested. Significant positive effects were found in Model 2 for the Internet, computers and technology, and agriculture and construction sectors, while a significant negative effect was found for wholesale/retail and consumer services, and manufacturing and transportation sectors in comparison to other industries sectors, net all other factors.

The use and number of new digital tools were significantly and positively correlated with YoY employment change (0.1, $p < 0.001$; 0.057, $p < 0.001$), while the permanence of these changes was significantly and negatively correlated with YoY sales change (-0.115, $p < 0.001$), net all the control variables (Model 3). Model 4 showed significant positive associations between only two types of digital tools, broadband (0.027, $p < 0.01$) and cloud computing (0.061, $p < 0.001$). Among the digital tool use measures tested in Model 5, only one was significant: communications showed a significant positive effect on YoY employment change (0.033, $p < 0.001$). In Model 6, only two digital obstacles showed significant results – cost of purchase (0.028, $p < 0.01$) and integration difficulty (-0.022, $p < 0.05$). Three digitalization impact measures were significant in Model 7 – increase sales (0.048, $p < 0.001$), lower operations costs (0.07, $p < 0.001$), and increase in customers or suppliers (-0.077, $p < 0.001$).

Discussion

In this study, we addressed two broad research questions, pertaining to the gendered adoption of digital tools as essential instruments in building adaptive capacity to cope with an unprecedented and multiplex exogenous shock to markets and businesses. We did this in different government response contexts. Below, we discuss our major findings, and their theoretical, practitioner and public policy implications.

Gendered differences in the adoption and use of digital tools

Women business leaders were more likely than men to use new digital tools in response to the pandemic and more likely to describe the new digital tools as a permanent change. However, they reported significantly fewer new digital tools being used, though the average difference with male-led businesses was small. The higher uptake of new digital tools during the pandemic by women may be explained by the higher rates of market disruption for women-led businesses and the over-representation of women among the smallest and most vulnerable businesses, especially in sectors most impacted by the pandemic.

When it comes to types of new digital tools adopted, women were more likely than men to report new e-commerce tools, which is consistent with the higher participation of women in the retail, education and healthcare services sectors, as well as the significantly higher rate of women leaders running businesses with no employees compared to men. In contrast, men were much more likely to report using tools most often used in very large employer firms, such as enterprise resource planning, customer relationship management or cloud computing.

Women were more likely than men to report using new digital tools for advertising, communications, e-commerce and payments processing. In contrast, men were more likely than women to report using new digital tools for R&D and government interactions. Again, these findings are predictable given the observed gender differences in sectoral distribution and business size. With respect to obstacles, women more often cited a lack of knowledge or user skills. Surprisingly, cost was not a more significant obstacle for women compared to men. One explanation is that while the smaller average size of women-led businesses might have made them more sensitive to the cost of purchasing new digital tools, the enterprise digital tools are often value priced and can pose high entry points and switching costs for very large firms, predominantly led by men.

Women business leaders were significantly less likely than men to report a positive impact of the new digital tools on their business and more likely to report no impact at all. However, women were just as likely as men to report an increase in sales, customers or suppliers resulting from the use of new digital tools. Regarding specific positive impacts, it is not surprising that women were less likely to report employment increases, lower operations costs and more access to digital solutions or business intelligence given the observed gender differences in business size and sector.

> “Women were more likely than men to report using new digital tools for advertising, communications, e-commerce and payments processing.

Effects of digitalization on performance in different contexts of government response

Regression models for both YoY sales and YoY employment changes confirm the findings showing that women were less likely than men to report an increase in sales or employment over 2022. Both the stringency of government responses and the level of economic support provided to individuals and businesses was negatively associated with YoY sales and employment changes. High rates of government stringency resulted in significant market disruption, which would naturally impact YoY sales and employment. Moreover, we would expect a gender effect given the higher impacts on sectors where women-led businesses are well represented and on the smallest firms. However, the negative relationship with government economic support is more complex and perhaps best explained by the greater need for economic support in contexts where the government response to the pandemic resulted in greater market disruption. Larger businesses and those located in more traditionally male-dominated sectors, such as the Internet, computers and technology, and agriculture and construction, tended to fare better in terms of both YoY sales and employment impacts.

The use and number of new digital tools helped to boost YoY sales numbers, particularly enterprise digital tools, which favours the types of businesses women are less often involved in as leaders. Women were more likely than men to report use of new digital tools for advertising, but this measure actually showed a negative correlation with YoY sales. As reported in the Digitally Driven Europe and US studies (Connected Commerce Council, 2021), it could be that digital tools helped to reduce losses but did not result in sustained or increased sales over the course of the first six months of the pandemic for firms in the wholesale/retail and consumer services and other sectors where women are highly represented. Not surprisingly, all digitalization obstacles were negatively associated with YoY sales changes and several measures of positive impacts showed positive associations, net of the controls for sector, size and other key factors. Still, the gender differences in YoY sales persisted suggesting that women business leaders faced more challenges in the adoption and deployment of new digital tools during the pandemic.

In contrast to the findings on YoY sales impacts, the regression results suggest a different story when it comes to pandemic impacts on employment for women-led businesses. Business size and sectoral differences explained the association of economic support with YoY employment, but did not explain the negative associations of being female and stringency of the pandemic response with YoY employment. Larger firms, especially those in the Internet, computers and technology, and agriculture and construction, had the best advantage when it came to increasing employment during the pandemic, while smaller, younger firms were more likely to suffer. Importantly, the use of new digital tools, the permanence of new digital tool adoption, and the number of new tools adopted doubled the significant negative association for women leaders. However, the types of tools used, the uses of new digital tools, and

> **Women business leaders faced more challenges in the adoption and deployment of new digital tools during the COVID-19 pandemic.**

digitalization obstacles all explained gender differences in YoY employment changes. These findings suggest that digitalization played an important role in mitigating the negative impacts of the pandemic and market disruptions on employment, including both preserving jobs and creating more jobs, for women-led firms.

Finally, levels of government response, particularly the stringency of response, had a significant negative influence on YoY sales and employment. This finding is hardly surprising given the extreme market disruptions that resulted from lockdowns and other government mitigation policies. However, the extent to which economic support for individuals and businesses helped to mitigate the business impacts resulting from market disruption is less clear. Moreover, the impact of different contexts on outcomes for women-led versus men-led firms is highly varied and warrants further investigation.

Our study has a few limitations for consideration in the interpretation of results. The respondents are all Facebook users, so our sample is likely biased towards those with strong technology skills. The data collected are all self-reports, which are subject to biased responses resulting from recall and social desirability. The study design is cross-sectional and not suitable for drawing conclusions about causal relationships. The analysis is restricted to responses from one month following the start of the pandemic. We chose December 2020 to capture responses at a time point where the disease spread, and government responses were well in process for most countries. Still these data are subject to high variability in temporal factors related to the pandemic impacts on individuals and markets. Nonetheless, very few studies have addressed the mitigation of digitalization on gender differences in pandemic business impacts across countries. For that reason, this study offers important insights into gender, business and digitalization in the context of an unprecedented global economic crisis.

Conclusion

The purpose of this study was to investigate the extent to which digitalization mitigated the disproportionate impact of the pandemic market disruptions on women-led businesses. Women tend to run younger, smaller firms concentrated in the industry sectors affected the most by economic shutdowns. We found that digitalization did help to mitigate the impact on sales and employment in the first six months of the pandemic. However, women business leaders still felt the business impacts more on average than their male peers, due largely to gender differences in business size and industry sector. Digitalization mitigated the impact on employment for women-led businesses, more so than impacts on sales. Moreover, there was little evidence that economic relief served to mitigate the impact of economic shutdowns on women-led firms. Further research is required to unpack the complexity and influence of government responses to the pandemic on sales and employment of women-led firms.

Our findings hold important implications for research on gender differences in pandemic business impacts. Business size and sectoral differences are incredibly important predictors of gender differences in business outcomes under normal market operations and also for gender differences in the impact of market disruptions in times of natural disasters, pandemics and economic crises. The impacts on women-led firms, on average, will depend largely on the disruption in those industry sectors where women-led firms are highly represented and on access to policy interventions and economic relief for small firms and self-employed workers.

> **Systemic inequality contributes in significant ways to the persistence of negative stereotypes about women business leaders, ranging from theories of female underperformance to risk aversion in business leadership.**

Systemic inequality contributes in significant ways to the persistence of negative stereotypes about women business leaders, ranging from theories of female underperformance to risk aversion in business leadership.

The policy implications of our findings are clear. In times of a global pandemic crisis, policies should be directed towards the sectors most affected by market disruptions, especially towards the smallest most vulnerable businesses. Policies and programmes that help business leaders overcome the obstacles to technology adoption should also be tailored to different sectors and stages of business growth, based on our findings. Programming for the smallest and newest firms could be particularly impactful for women-led firms. Common sense also dictates that policies should be directed towards better support for families in the event that schools and care facilities are shut down, forcing parents, and especially mothers, to juggle business and family demands in an intense and overwhelming fashion.

For practitioners, our findings offer some important implications regarding the importance of digitalization for increasing sales, accessing new customers and supplies, expanding employment, supporting remote workers and reducing the costs of operations, thus building resilience and adaptability. Digital tools adopted in order to better reach customers through advertising, online sales and communications may be most useful for small firms and may at least offset losses during an economic crisis.

In sum, our findings suggest that digitalization is an important source of adaptive capacity for all firms, but with limited potential to help women-led firms overcome the systemic inequality characterized largely by the sectoral and business size differences that put women-led firms at such a disadvantage compared to men-led firms in the context of a global pandemic crisis.

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Endnotes

1. The Future of Business survey targets administrators of business pages which could include business owners, managers and employees. Following the recommendations in the survey methodology (see https://dataforgood.facebook.com/dfg/tools/future-of-business-survey#methodology), as well as prior research based on the Future of Business survey (e.g. see Goldstein *et al.*, 2019), we restrict the analysis to self-identified owners and managers of small and medium-sized enterprises. Here and throughout the chapter, we refer to firms with women owners/managers as "women-led firms".
2. Throughout the text, we use the term digitalization to refer to the business usage of digital tools, such as broadband Internet connection, teleworking, online sales or purchases, cloud computing, enterprise resource planning systems, supply chain management software or customer relationship management software.
3. Available at https://www.bsg.ox.ac.uk/research/covid-19-government-response-tracker.
4. Cross tabulation tables are not presented but are available from the authors upon request.

Sustainable development and women's empowerment:

the challenges and opportunities of digitalization

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Abstract

This study looks at digitalization from a gender and development perspective. It investigates which countries and, within countries, which segments of the population have been able thus far to benefit from the dynamism provided by digitalization, especially through e-commerce and technological advances in agriculture. The study points to digital divides between developed and developing countries, as well as to other divides linked to gender, age and socioeconomic factors that determine individuals' ability to have access to digital technologies and use them in a productive and beneficial manner. The analysis zooms in on the potential opportunities that digitalization provides to women, especially in the developing world, and on the obstacles they face to benefit from it. The study makes a distinction between having access to technology, using it and using it in a productive manner, and highlights the link with gender and other gaps in society and the economy. In the conclusions, the study puts forward some suggestions to help digitalization provide shared benefits and leave no one behind.

Introduction

New technological solutions, such as mobile social and trade solutions, data analytics and digitalization of manufacturing and agricultural production, offer a new range of opportunities for people, governments and businesses. These technologies hold the potential for individuals to develop new knowledge, upskill and reskill, find new jobs, set up social and professional networks, interact with national and local authorities, and have access to a broad variety of goods and services that until recently required physical proximity. Digitalization allows governments to raise the quality and the speed of the services they deliver to citizens and businesses, resulting in closer connections between public authorities and communities and in increased accountability. Digitalization holds huge potential for businesses, by opening new market opportunities and potentially leading to enhanced productivity and profitability, more sustainable production practices and greater competitiveness. The COVID-19 pandemic has accelerated the digital transformation of the economy and society. Digital divides, however, remain between countries at different levels of development, and long-standing gender gaps risk being exacerbated by new gender digital gaps. If such divides are not addressed, the potential that digitalization holds for human and economic development will not benefit everybody equally, with the risk of leaving behind countries and people that are already at the margin of globalization and international trade.

This study starts with an overview of the digital economy and its potential benefits. It then looks at the factors that allow people to gain from it. It presents existing divides in access and use of digital solutions between countries at different levels of development, between urban and rural areas and between men and women. It zooms in on the specific difficulties that women face in tapping the opportunities arising from digitalization and highlights the overall and women's empowering benefits of overcoming them. Considering the potential that digital technologies hold to improve the productivity and sustainability of the agricultural sector, this study examines digitalization in agriculture with a focus on the specific challenges and opportunities for women in developing countries. In the conclusions, the study offers some ideas to ensure that the opportunities provided by digitalization are equally shared.

An overview of digitalization and digital transformation

According to the Organisation for Economic Co-operation and Development (OECD), "Digitalisation is the use of digital technologies and data as well as interconnection that results in new or changes to existing activities. Digital transformation refers to the economic and societal effects of (…) digitalisation" (OECD, 2019a). These processes lead to shape what is commonly referred to as the digital economy. There is not a universally agreed definition of the digital economy; the OECD (2020) defines it as "all economic activity reliant on, or significantly enhanced by the use of digital inputs, including digital technologies, digital infrastructure, digital services and data. It refers to all producers and consumers, including government, that are utilizing these digital inputs in their economic activities". Digital technologies appeared first in the information and communication technologies (ICT) sector itself, and subsequently spread into related activities, such as media and leisure.[1] The digital transformation that was experienced over the last 20 years has not only changed the way that people communicate, but also impacted the way the economy functions (Grau-Sarabia and Fuster-Morell, 2021).

Major global and regional commitments to overcome the digital and gender divides

According to Kularski and Moller (2012), "the digital divide is composed of a skill gap and a gap of physical access to Information Technology (IT) and the two gaps often contribute to each other in circular causation. Without access to technology, it is difficult to develop technical skills and it is redundant to have access to technology without first having the skill to utilize it". The gender digital divide is referred to by Thystrup (2020) as the "impaired access to IT infrastructure or IT skills education based on gender".

Over the last two decades, countries have taken steps to close digital divides. In this process, however, the long-standing gaps between men and women have remained unresolved and digitalization has contributed to widening them. More recently, countries have begun to make commitments to simultaneously address digital and gender divides, as evidence shows that one magnifies the other and that addressing one divide can help overcome the other.

"The long-standing gaps between men and women have remained unresolved and digitalization has contributed to widening them.

The World Summit of the Information Society (WSIS) was set up as a two-phase UN conference that defined the issues, policies, and frameworks to deal with ICT as a tool for development.[2] In 2015, the United Nations General Assembly called for a close alignment between the WSIS process and the 2030 Agenda for Sustainable Development, stressing that ICT could be instrumental to the realization of several Sustainable Development Goals (SDGs).

The global framework set up by the 2030 Agenda for Sustainable Development highlights that technological capabilities are critical to support women's empowerment, economic productivity, international cooperation, and more sustainable patterns of production and consumption (see Box 1).

Commitments, programmes and initiatives recognize the key role that digitalization can play for human and economic development and to help overcome gender gaps. They also indicate that, if gaps are not identified and appropriate measures are not taken, some countries and people are at risk of being excluded from the digital revolution.

Box 1: United Nations Sustainable Development Goals

Among the Sustainable Development Goals (SDGs), SDG 5 aims at achieving gender equality and empowering all women and girls. Target b sets a clear link between ICT and women's empowerment: "Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women". Progress towards its fulfillment is tracked by measuring the "Proportion of individuals who own a mobile telephone, by sex". SDG 8 promotes sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. Digitalization can prove instrumental in achieving higher levels of economic productivity through diversification, technological upgrading and innovation (Target 2). They can also contribute to promoting productive activities and decent jobs, spurring entrepreneurship, and encouraging the formalization and growth of micro, small and medium-sized enterprises (MSMEs) (Target 3). SDG 9 aims to foster industrialization and innovation. Digital solutions can be leveraged to increase MSMEs' access to financial services and markets and enable their integration into value chains (Target 3). Finally, digitalization can play an important role in fulfilling Target 11 of SDG 17 – Partnership for Sustainable Development – by facilitating the exports of developing and the least-developed countries (LDCs).

The Doha Programme of Action for the Least Developed Countries for the Decade 2022-2031 extensively addresses gender and digital divides across its focus areas, and in some cases links them.*

* It was adopted in March 2022 at the Fifth United Nations Conference on the Least Developed Countries. It outlines a plan towards fulfilling the SDGs, based on a commitment between the LDCs and their development partners, including the private sector, the civil society and governments.

Source: Adapted from Box 1 of UNCTAD (2023).

The resources and appropriation theory and its relevance for the gender digital divide

Along with the increased use of digital tools for production, health, education, social and other purposes, the analytical and policy frameworks on digitalization have evolved.

The resources and appropriation theory argues that social inequalities are associated with an unequal distribution of resources, and that an unequal distribution of resources leads to disparities in access to and use of the Internet (Van Dijk, 2005). Van Deursen and Van Dijk (2019) find that personal and positional inequalities, according to the theory, produce access to different types of resources, such as possession, income and access to social networks (among others). The process of "appropriation" to the Internet is influenced by personal/social and positional inequalities; age, gender and ethnicity are frequently observed as the cause of the digital divide, along with education attainment and occupation. The differences in Internet access reinforce inequalities of participation in society, and this contributes to greater inequalities between individuals, positions and resources (Van Deursen and Van Dijk, 2019).

Based on this framework, approximately until the first decade of 2000, analysis and policy efforts were focused on enlarging the availability of hard and soft digital devices (e.g. computers, tablets, mobile phones, printers, software) and ensuring connection to the Internet. Availability and access were regarded as key to bridging digital divides. Between the early 2000 and 2015 attention shifted to ensuring that, beyond availability and access, people would acquire the necessary skills and knowledge to use new technologies. Since then, there was an emergence of positive but also negative outcomes from digitalization, such as cybercrime, hacking, violation of private data, hate speech, game addiction, and the diffusion of disinformation and "fake news" through the Web and social media. Currently, the focus of analysis and policymaking is on how to make access to digital technologies beneficial to individuals and more broadly to society, expanding the positive outcomes and reducing the negative ones (Van Dijk, 2020).

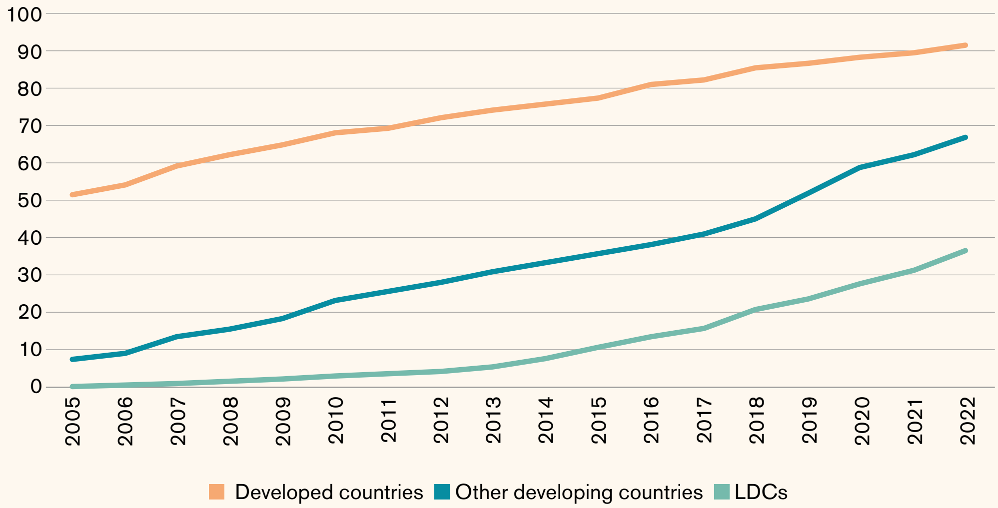
The shift from an emphasis on availability and access to knowledge and skills was prompted by the recognition that digital divides exist even when availability and access are guaranteed. Digital divides are linked to individuals' education and skills, which in turn have a bearing on the use of technology. Giving a person a computer or a mobile phone and Internet access does not guarantee that he or she will use it, and that it will be used in a beneficial manner. While individuals with a good level of education and digital literacy tend to use the Internet for improving their skills, exploring career opportunities, and accessing information for personal and professional growth, people with lower levels of education and digital skills tend to access the Internet mainly for communication and entertainment, resulting in limited personal development, productive and income-generation outcomes. It is also evident that there is a positive relationship between the degree of sophistication and complexity of ICT and the magnitude of the usage gap (Van Dijk, 2020).

It is estimated that approximately 5.4 billion people, or about 60 per cent of the world's population, used the Internet in 2022 (ITU, 2022). Box 2 shows differences in Internet use between regions since the early 2000s; as of now, 92 per cent of the population in developed countries is using the Internet, compared to 66 per cent in other developing countries, and only around 36 per cent in least-developed countries (LDCs).[3]

Box 2: Digital divide between regions

Even though 95 per cent of the world's urban population is now living within range of a mobile broadband network, important blind spots remain. For example, 30 per cent of Africa's rural population still lacks mobile broadband coverage (ITU, 2021a). In addition, the large availability of broadband coverage does not mirror Internet use, thus confirming the "usage gap". Merely having access to the Internet does not automatically imply its utilization, let alone using it for personal and business development.

Internet use, 2005-2022 (percentage of population)



Source: UNCTAD calculation based on ITU World Telecommunication/ICT Indicators Database, Jan. 2023.

Note: In this study, Internet users are individuals who have used the Internet (from any location) in the last three months, when being surveyed. For 2022, not enough data points are available for developing countries to calculate the group average, thus for 2022 ITU forecasts are used.

An ITU study (2022) identifies lack of digital literacy, limited understanding of the benefit of Internet usage, and high cost as the main reasons for not using the Internet. Two additional factors play a role behind limited "appetite" for the Internet and the more widespread use of cellphones for voice and text services in least-developed countries (LDCs). First, many people living in LDCs own analogue phones rather than smartphones, as smartphones tend to be unaffordable (ITU, 2021b). For example, it is estimated that in East Africa only 10 to 20 per cent of informal cross-border traders (a particularly vulnerable societal group) own a smartphone (Hadley and Aoko, 2022). Second, there is a lack of content that is relevant to people, relates to the communities in which they live and work, and is offered in languages they are familiar with (ITU, 2021b). The empirical evidence shows a strong correlation between the development of network infrastructure and the growth of local content, even after controlling for economic and demographic factors (ISOC/OECD/UNESCO, 2012).

Source: Adapted from UNCTAD (2023).

The kind of mobile network coverage that is available in different geographical regions may also have a bearing on the way the Internet is used. Wide availability of 4G permits much faster access to the Internet, which facilitates using it for different purposes. As shown in Figure 1, there is a gap in the use of the Internet between urban and rural population in all country groups. However, the gap is minimal in developed countries (4 percentage points), whereas it is significant in the developing countries and LDCs (38 and 34 percentage points, respectively). In the developing regions, lack of network coverage is a contributing factor behind limited use of the Internet by rural population.

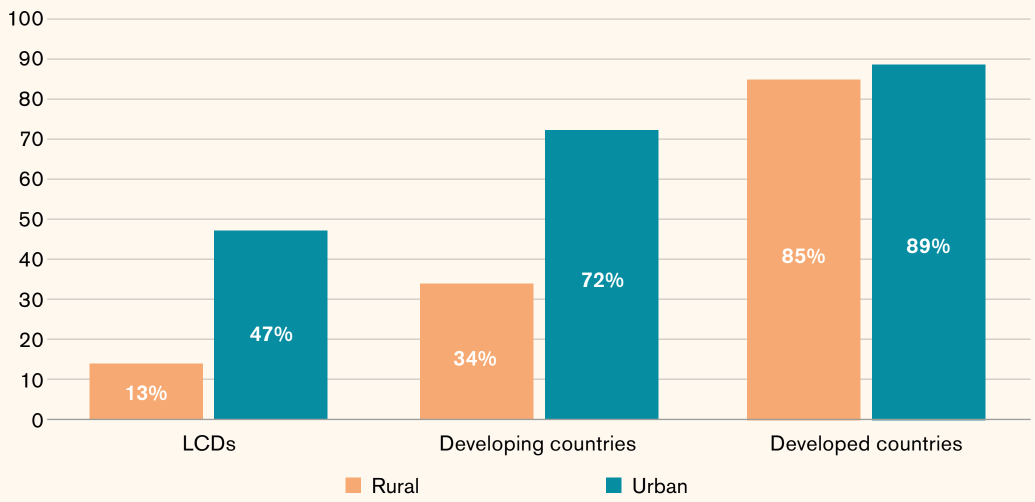
The benefits of digitalization for women

In principle, women can benefit from digitalization in various ways. An important component of the digital economy is e-commerce (see Box 3).

As consumers, women can access a variety of goods and services with benefits in terms of choice and price, and without the need for physical proximity. ICT-enabled services include, for example, medical treatments and maternal health care that may not always be available where women live.

As producers, women can benefit from production processes that are more efficient, more sustainable and less burdensome. As workers, they can find fewer barriers to entering the labour market, enjoy more flexible work conditions and have less physically demanding tasks. As traders, they can benefit from digitalized customs procedures and digitally available information on trade rules and customs procedures. Digital trade facilitation can reduce the complexity and length of clearing processes for goods, which is burdensome for small traders, especially women, and it also reduces the need of face-to-face interactions.

Figure 1: Internet use by rural-urban population in 2020
(percentage of population)



Source: ITU estimates, 2021.

Note: In this figure only, the developing countries group includes both LDCs and other developing countries. In this study, Internet users are individuals who have used the Internet (from any location) in the last three months, when being surveyed.

Box 3: E-commerce opportunities

E-commerce can help small businesses – many of which in developing countries are owned by women – by reducing the initial investment costs needed to begin operations. The greater time flexibility associated with online versus offline trade and the possibility to work from any location represent advantages for women who are time and mobility constrained (World Bank and WTO, 2020). Digital solutions that remove the need for face-to-face interactions can also help women overcome discrimination (OECD/WTO, 2017; World Bank and WTO, 2020).

Digitalization can help women access financial services, for example via the use of mobile money for digital payments, overcoming the difficulties linked to their limited access to formal financial institutions. According to a survey of entrepreneurs using Jumia, Africa's largest e-commerce platform, women-owned enterprises tend to rely on their personal savings to start their business and when they approach a financial institution they tend to apply for small loans (IFC, 2021).

During the pandemic, e-commerce opened up opportunities for women negatively impacted by job losses, providing them with a gateway to kick-start an entrepreneurial activity even with a small capital, and to earn a living outside the sectors where they had been employed. E-commerce also came to the rescue of small-scale women entrepreneurs who already had a fairly established business activity and saw in online markets an alternative to keep businesses afloat during the COVID-19 crisis.

Source: Adapted from UNCTAD (2023).

Some empirical evidence from Africa shows that women cross-border traders are more vulnerable to physical and verbal harassment and abuse than men, and the former spend longer hours, sometimes days, clearing their goods away from home, owing to prolonged inspections (UNCTAD, 2019).

As individuals, women can access online education and training. While this is potentially beneficial for everybody, it can be a game changer for women and girls who often have limited access to quality education and information. Research has shown that increased access to information ultimately makes women feel safer, more autonomous and more self-confident (OECD, 2018).

As citizens, women can interact with national and local administrations in a more streamlined, transparent and less time-consuming manner. Technology has the potential to improve efficiency, transparency, and accountability of public administration, which can improve women' access to information, upon condition that investments are made to help women acquire digital skills at par with men (Ganapathy and Mahindru, 2023).

The gender digital divide: drivers and barriers

In addition to digital divides between countries at different levels of development, access and use of digital technologies are also affected by gender. Low levels of use of ICT by women are, to some degree, linked to inadequate infrastructures (which determines access) and to affordability. Table 1 shows the cost of two types of Internet subscriptions; basic subscription (data-only) and advanced (fixed broadband). While the cost of a fixed broadband subscription is widely affordable in developed countries, in the LDCs it is very expensive. Women are on average poorer than men and tend to have limited control of household income, they may therefore opt for a basic subscription that allows only limited use of the Internet (see Box 4). They may also have less access to devices, such as smartphones or laptops, which has an impact on the possibility to use the Internet for business or educational purposes. Among the 23 LDCs where statistics on gender disaggregated mobile phone ownership are available, ownership among women is 13 per cent less than that of men (ITU, 2021b).

Table 1: Subscriptions price (percentage of gross national income per capita)

	Data-only mobile subscription basket*	Fixed broadband basket subscription**
LDCs	6.44	24.43
Other developing countries	1.42	2.92
Developed countries	0.47	1.02

Source: UNCTAD calculation based on ITU World Communication database.

*Includes 44 least-developed countries (LDCs); 92 other developing countries; and 53 developed countries.

**Includes 34 LDCs, 92 other developing countries and 53 developed countries.

In several LDCs, such as Kiribati, Sao Tomé and Principe and the Lao People's Democratic Republic, the share of women using the Internet is limited; and the share that possesses adequate digital skills is even smaller (ITU, 2021b). Low digital skills in most cases lead to a less beneficial use of the Internet.

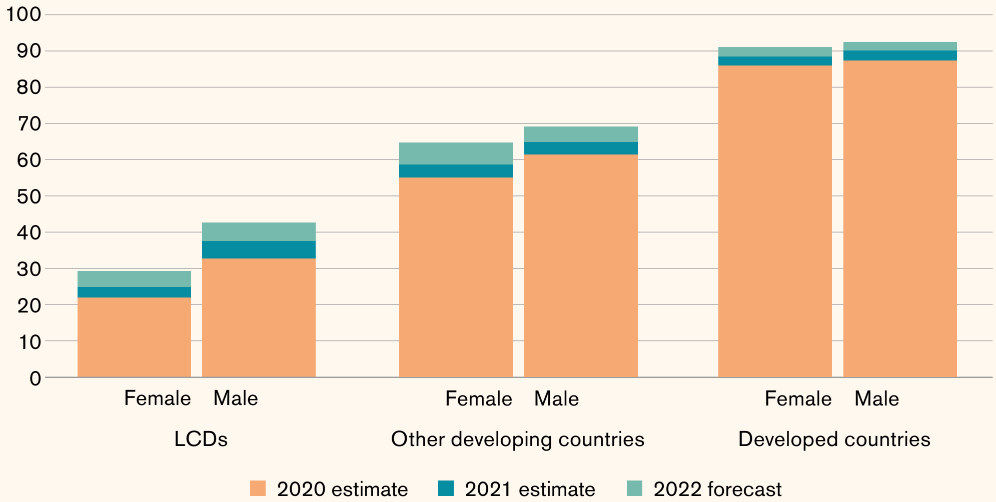
Gender gaps can also be found in the use of financial services. In Chile, for example, there is a 10 per cent gap between women and men in accessing online banking. Access and use are not an issue in this case, but rather the ability to use the Internet for more complex operations than, for example, social contacts (Mohiuddin *et al.*, 2020). Figures 2 and 3 provide data on how many women and men in developed, developing and least-developed countries have received digital payments and have used a mobile phone or the Internet to make a purchase online. The data can be considered proxies of productive and income-generating use of the Internet. In all groups, men outperform women, though the gender gaps are considerably smaller in developed countries. The data also show a significant North–South digital divide, with less than 30 per cent of adult population in the LDCs receiving payments online, as opposed to around 70 per cent in developed countries. When it is about making a purchase online, the share for the LDCs is around 5 per cent, as opposed to almost 60 per cent in developed countries.

Box 4: Gender digital divide

Besides access and affordability, socio-economic factors – including social class, age, ethnicity, income, assets and cultural origin – contribute to explaining how and for which purposes people use the Internet (Hosman and Pérez Comisso, 2020). Younger people, for example, exhibit the highest frequency and diversity in Internet use (Zillien and Hargittai, 2009). Additionally, community norms that link mobile and Internet use with reputational risk, undermine women's use of digital technologies (Ganapathy and Mahindru, 2023). These factors lead individuals – especially, women – to face multiple and compounding interrelated obstacles to using technology for business purposes (UNCTAD 2023, Van Dijk, 2021).

Gender gaps in using the Internet have almost been eliminated in developed countries; however, as shown in the figure, large gaps persist especially in least-developed countries (LDCs). The gender gap in Internet use is estimated at 1 per cent in developed countries, below 6 per cent in other developing countries and 13 per cent in LDCs in 2022.

Internet use by female and male population (percentage of population)



Source: UNCTAD calculation based on ITU World Telecommunication/ICT Indicators Database, Jan. 2023.

Note: In this study, Internet users are individuals who have used the Internet (from any location) in the last three months, when being surveyed. For 2022, not enough data points are available for developing countries to calculate the group average, thus ITU forecasts are used.

Anecdotal evidence suggests that women-owned MSMEs are less likely to seize the opportunities offered by the Internet, even when access is not a constraint because of the gendered and socio-economic barriers discussed above.

A survey conducted by the World Wide Web Foundation (WWWF, 2015) estimates that women are 30-50 per cent less likely than men to use the Internet for income-generating activities. A survey carried out by UNCTAD in 2019 among women farmers in Myanmar indicates that there are obstacles to using the Internet to access crucial business information; women farmers across various supply chains stated to be reluctant to use the Internet to seek information about prices and potential new markets for their produce, although having access to mobile Internet (UNCTAD, 2020a).

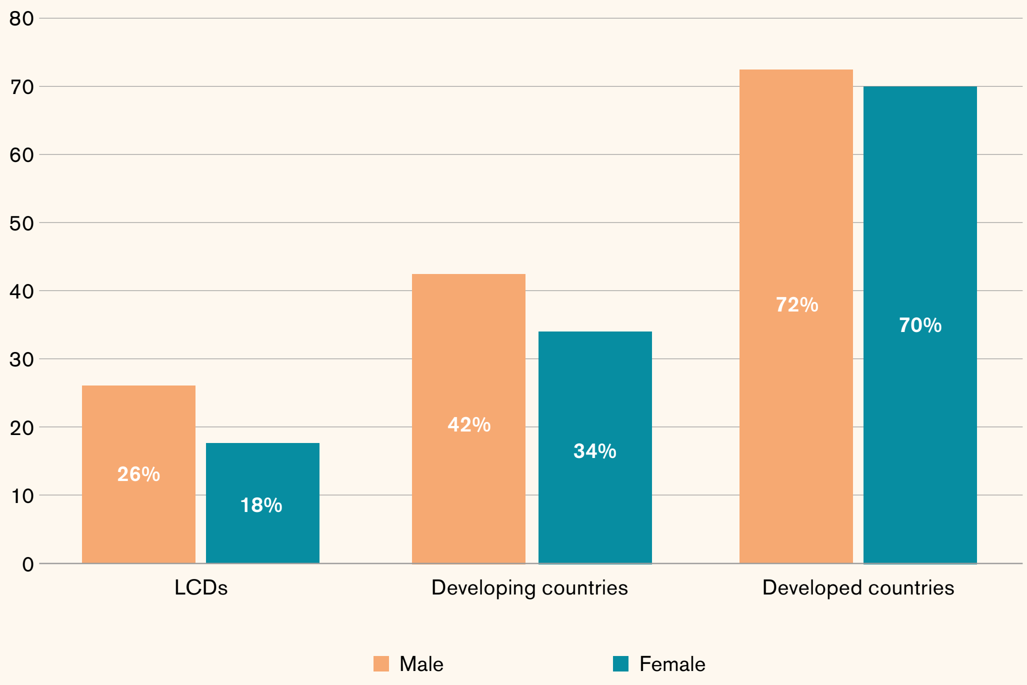
Source: Adapted from UNCTAD (2023).

Other gender-specific barriers play a role in observed low levels of ICT adoption among women. The lack of online content that is useful to them, relevant to their life and work, and delivered in languages they are proficient in, makes their interest in using the Internet decline (ITU, 2021b).

Traditional gender roles play a role in how much women can benefit from the digital transformation as well. Some societies may perceive women's use of ICT as a challenge to traditional roles. A survey conducted by the World Wide Web Foundation (WWWF, 2015) in nine developing countries shows that patriarchal norms replicate in the digital economy. For example, over half of the surveyed men in New Delhi and Manila, and over a third of men in Yaounde, Jakarta and Kampala, agreed with the statement that men have the responsibility to restrict what women access on the Internet.

UNCTAD (2023) reports that women's limited participation in science, technology, engineering and mathematics disciplines, as compared to their male counterparts, "has repercussions on their familiarity with digital technologies and on their capacity to

Figure 2: Individuals that received a digital payment in 2021
(percentage of population aged 15+)



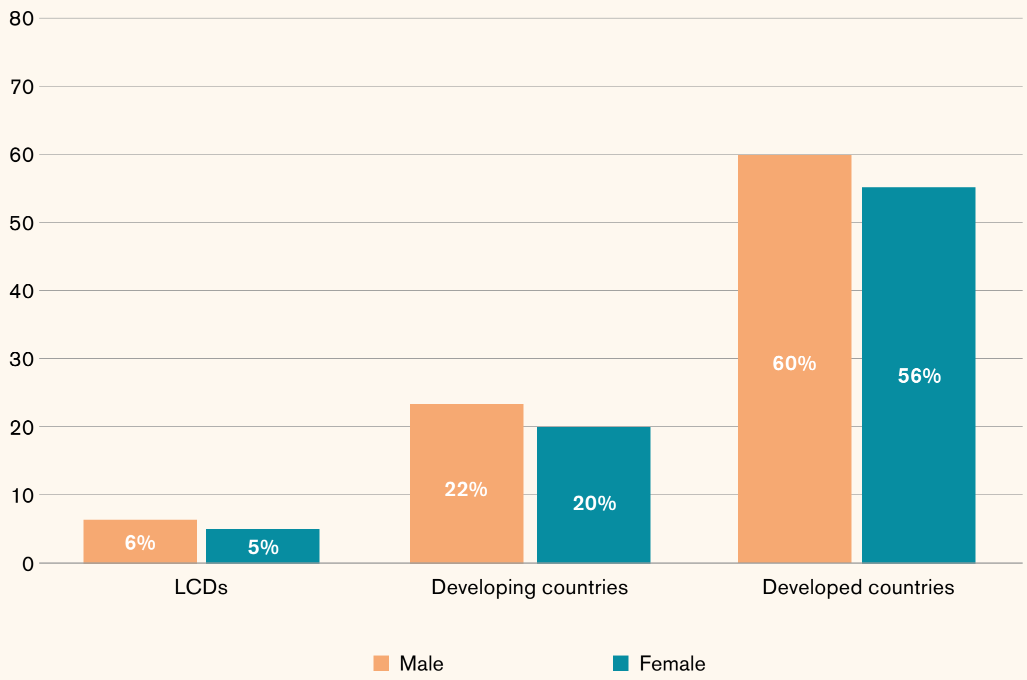
Source: UNCTAD calculation based on World Bank Global Findex Database, 2021.

Note: The percentage of respondents who report using a mobile money account, a debit or credit card or a mobile phone to receive a payment into an account in the past year. This includes respondents who report receiving remittances, receiving payments for agricultural products, receiving government transfers, receiving wages or receiving a public-sector pension directly into a financial institution account or into a mobile money account in the past year.

influence technological developments (United Nations Educational, Scientific and Cultural Organization, 2020)." In other words, on the one hand, women suffer from an overall lower level of education, digital literacy and technology skills; on the other, technology and digital solutions often do not meet women's needs, since in most cases they are developed without women's participation and without paying enough attention to women's needs and expectations. For example, globally only about one-third of positions are occupied by women in the technology sector (UNESCO, 2023).

UNCTAD (2023) finds that several developing countries still lack comprehensive national digitalization strategies, and seldom conduct surveys on ICT access, use and impact. For countries that have developed digitalization strategies, gender considerations have hardly been mainstreamed. Lacking reliable data on issues such as the contribution of women-owned digital businesses to the economy, the technologies women have access to for production and trade, and the purposes for which women use the Internet, digitalization policies risk remaining "gender blind".

Figure 3: Individuals who made a purchase online in 2021
(percentage of population aged 15+)



Source: UNCTAD calculation based on World Bank Global Findex Database, 2021.

Note: The percentage of respondents who report using a mobile phone or the Internet to buy something online in the past year.

The use of algorithms and their impact on women

An increasing number of decisions – from which products are advertised to which candidates are invited for job interviews, to which loans are approved and at what interest rates – are guided by algorithms. This automation of decision-making can be beneficial to less privileged segments of the population, including women, as it creates more transparency, and may reduce implicit and explicit biases. For example, a study in the United States shows that fintech algorithms[4] charge minority borrowers interest rates that on average are 40 per cent lower than those applied to face-to-face lenders (Bartlett *et al.*, 2022). Yet, artificial intelligence (AI) systems are human creations and mirror society (Collet and Dillion, 2019). People are those determining which data, variables and rules the algorithms should learn from to make forecasts. Algorithms use and learn from large datasets to find patterns on an individual's observed behaviour and make predictions. People can, on purpose or inadvertently, introduce biases that then become embedded in AI systems and discriminate against certain segments of the population (Smith and Rustagi, 2021). AI can amplify discrimination in society resulting in inefficiencies and losses in the economy and markets, in addition to furthering sources of inequalities (Smith and Rustagi, 2020).

An example of gender discrimination resulting from AI is in the banking sector. AI systems that determine creditworthiness learn from historical data; since historically women have had lesser access to credit and received lower credit limits than men, these patterns were automatically reproduced. As a result, women kept receiving lower credit limits than men, even at parity of incomes. The skew against women was so evident that a general consensus recognized the need for a different approach. As a result, algorithms now predict creditworthiness by relying on information different from credit history, for example by utilizing data on how people use their mobile phones for payments (Smith and Rustagi, 2020).

On the other hand, there are examples where AI has supported positive developments that can potentially benefit women. AI opens the possibility of using new data sources to measure poverty and vulnerability, and it could be trained to improve intervention targeting and facilitating crisis response. For example, by combining survey-based results with mobile phone data, AI identifies the household eligible for benefits within poverty alleviation programmes, which may include many women-led households (Smith and Rustagi, 2021).

Sectoral analysis: Digitalization in agriculture

Digitalization has the potential to improve productivity, sustainability and resilience in many economic sectors. We focus our analysis on the agricultural sector, which is the main employer of women in several developing regions and is a sector in which digitalization is a rapidly growing trend.

> “ People can, on purpose or inadvertently, introduce biases that then become embedded in AI systems and discriminate against certain segments of the population.

The potential benefits of digitalization in agriculture

The digitalization of agriculture is seen as the next agricultural revolution that has the potential to respond to the needs of a growing population in the context of ongoing economic and environmental challenges (Trendov *et al.*, 2019; see Box 5).

UNCTAD (2020b) reports that digital agriculture (also known as "agriculture 4.0" or "smart farming") refers to the use of modern technologies (e.g. AI, the Internet of Things, drones, big data analytics, mobile technologies and devices, and digitally-delivered services and apps) to target precision agriculture, which focuses on optimizing agricultural production processes by utilizing a set of information technologies and automated equipment (MacPherson *et al.*, 2022; Wolfert *et al.*, 2017). For instance, automation can help farming businesses free up the time, energy and effort that used to be invested in monitoring the crops; weeds can be controlled at the exact moment they start to form; and innovations such as robot harvesters (powered by machine learning) can help farmers during the harvesting stage (Miskinis, 2019).

Box 5: Digital technologies and agriculture

Among the key technologies, there are devices and applications that provide access to information and services, such as drones, GPS, geographic information systems (GIS), sensors and mobile phones. Some of these devices can increasingly store, share and analyse "big data" to support agricultural forecasting and inform smarter decision-making, especially in terms of resource use efficiency (Braun *et al.*, 2018).

Some technologies, such as mobile applications, are already commonly used and accessible to farmers. Others are knowledge-intensive and costly to operate and maintain, so their utilization varies depending on the commodity and scale of a farming operation. Potential users must be willing and able to invest in the acquisition of the required skills, and organizations must be in place to support the transition to more digitalized operations (both in terms of financing arrangements and training and advisory services).

Sophisticated digital agricultural technologies offer opportunities for farmers to increase productivity, sustainability, competitiveness, market linkages and food security. Consumers may also be able to receive more detailed and transparent information on production characteristics and nutritional content of the food they buy. The increased flow of information enabled by digital technology can also create incentives for smallholders to add value to their products, as information about production practices, quality or other dimensions that might bring a price premium can be recorded and passed along to consumers. One example is being piloted for coffee exports from Ethiopia and Uganda. Bext360 combines all machine vision and blockchain technologies. The "bextmachine" at coffee collection points evaluates the coffee cherries when farmers deposit them, provides a market price along with advice on how to improve the quality, and then tracks the coffee to the end consumer. This increases farmers' return for investing in high-quality production practices (ICO, 2018; OECD, 2019b).

Source: Adapted from UNCTAD (2020b).

> It is crucial that policy measures accompany the digital transformation to ensure that enough employment opportunities are created to provide for the displaced workers.

Digital agriculture, however, is also about connected and knowledge-based production systems with a focus on automation, improved management processes, and more effective policies and programmes. Digital solutions can improve access to finance, advisory, insurance and other services for millions of smallholder farms (Chandra and Collins, 2021).

The issue of potential labour replacement with a wide adoption of digital technologies must be addressed too. There is some general understanding that digitalization may displace some positions (entailing low-skilled work, experiential knowledge, advisory capacity, among others) while creating new highly skilled jobs. It is crucial that policy measures accompany the digital transformation to ensure that enough employment opportunities are created to provide for the displaced workers.

Labour remains especially central to sustainable farming, such as ecological or organic agriculture, which requires a greater labour intensity because of the lack of dependence on artificial inputs (Christiaensen *et al.*, 2020; Prause, 2021). Findings indicate that the impact of digital technologies on labour is linked to whom controls them. A qualitative study conducted in Germany between 2020 and 2021 finds that independent farmers see digital technologies as supportive for their work; in contrast, the workers who are required to adopt them without any control on their part tend to see digitalization a source of disempowerment and intensification of their work (Prause, 2021)

Digitalization in agriculture has the potential to help address the economic and environmental imbalances that have been observed in global food markets. Since the early 2000s, developing countries (as a group) have become net importers of agricultural raw commodities (FAO, 2022a, 2022b; OECD, 2019b). In 2021, their imports accounted for over 65 per cent of world imports of cereals and oilseeds, and over 30 per cent of meat and dairy imports (FAO, 2022b). In 2020, African countries imported about 80 per cent of their food and 92 per cent of their cereal from abroad.[5] Asia is now the world's largest net food importer (FAO, 2021). This outcome is largely due to a productivity gap between developing and developed countries in a context in which industrial agriculture has become dominant and exports from developed countries have become cheaper (primarily, as a result of both technological innovation and subsidy programmes). Lower access to modern technologies and inputs (such as seeds, pesticides, fertilizers) in developing countries represent a major contributing factor to the observed productivity gap, which is increasingly challenged by the disproportionate impact of climate change in developing countries and civil unrests that may occur in those countries. Based on FAO (2022a), the top 10 per cent of the richest countries produce about 70 times more output per worker than countries in the bottom 10 per cent of the income distribution. Digitalization has the potential to help raise both efficiency and productivity for many small-scale farmers in developing countries by facilitating market transparency, access to extension services, resource optimization, and improvement in agricultural supply chain management (Deichmann *et al.*, 2016).

The environmental crisis, especially driven by climate change, biodiversity loss, land degradation and water shortages, is indicative that ecological considerations must be integrated into economic decision-making. As the COVID-19 pandemic has increased poverty to a significant degree for the first time in twenty years, especially in rural areas (it is estimated that over 120 million people around the world have been pushed into extreme poverty in 2020), food security has been brought to the forefront (Brett and Canziani, 2021). More recently, the rise in food and fuel prices stemming from the war in Ukraine has especially hit the world's poorest countries, and the poorest segments of the population in those countries who tend to spend a disproportionately high share of their income on food. These ongoing challenges have led to an increased focus on sustainable food production to integrate social and environmental goals in the process of economic development, and digital technologies can be leveraged to achieve sustainability principles across food systems (FAO, 2022a; IAASTD, 2009; IPBES, 2019; MacPherson *et al.*, 2022; UNCTAD, 2013).

As data become more central in the agri-food sector, a critical issue is data ownership, which is not yet significantly addressed in most policy discussions. Currently, data are typically collected by large agriculture technology corporations. Empowering farmers and local governments by protecting their legal rights regarding the control of the data is critical to enhancing sustainability (MacPherson *et al.*, 2022). As discussed in the first part of this chapter, other prominent issues that need to be addressed to benefit from the full potential of climate-smart farming include the connectivity gap in developing countries, affordability, literacy and technology skills, and the design of timely and spatially relevant data for small-size farms (Chandra and Collins, 2021; Deichmann *et al.*, 2016).

Digitalization in agriculture: the challenges and opportunities for women

According to ILO data, the agricultural sector employs 55 per cent of women in LDCs; the share drops to 35 per cent and 3 per cent in other developing countries and in developed countries, respectively (see Box 6).

In certain cases, as observed in some African countries, women do not have the legal or customary right to own land. Women may also have limited access to financial and banking services. Also, lack – or limited availability – of agricultural extension services for women farmers is often a factor that hinges on women's productivity as well (UNCTAD, 2020b). All these factors indicate the importance of policy interventions to ensure that gender disparities are overcome, and women are provided with equal opportunities as men to take advantage of digital solutions. The conclusive section provides policy suggestions towards these goals.

Digital technologies can expand access to information on market opportunities (including foreign markets and how to access them), extension and advisory services, prices and products. By doing so, digital technologies can facilitate the integration of smallholders into the domestic and global value chains, both upstream and downstream, in turn becoming an important instrument for reducing rural poverty and contributing to more sustainable and inclusive development (Antonio and Tuffley, 2014; OECD, 2019b). As financial considerations can be a constraint for the adoption of digital technologies, especially in the LDCs, government policies (in collaboration with the relevant stakeholders and in a context in which digital cooperation at the global level is enhanced) are critical to help support safe and affordable access to the Internet (UN DESA, 2021; UNCTAD, 2023).

The potential of digital technologies is also confronted with a gender gap in technology adoption, which contributes to perpetuating women's lower productivity and segregation into positions of economic vulnerability in agriculture (see Box 7).

In Kenya, women farmers can use smartphones to watch weather trends. This information allows them to forecast optimal planting and harvesting – especially for the crops that need to be dried. Digital technologies can also support logistics, payments, certification processes, marketing and sales. They can build on women's indigenous knowledge of local and agroecological production as well (Dugbazah *et al.*, 2021).

In Ghana, women shea nut farmers, traditionally working in informal shea processing – thanks to digital technology – could disengage from intermediaries, directly connect to a new market of international buyers through the Shea Network Ghana and increase their profits by even 80 per cent (Cline, 2019).

Box 6: Women and digital agriculture

Women are involved in trade in the agricultural sector in multiple ways: as contributing family workers, as farmers on their own account, as entrepreneurs running on- and off-farm businesses, and as wage workers. Women are highly involved in family farming, which remains by far the most predominant form of agriculture worldwide; almost 90 per cent of all farms globally (providing about 80 per cent of the world's food value) are run by families and rely primarily on family labour (FAO/FAD, 2019).

Although agriculture is key for women's livelihood, men and women tend to hold different economic roles in the sector due to various sources of gender bias. Following the traditional gender division of labour, which assigns to women the lion's share of unpaid care work and to men the leading role as income providers, women tend to be disproportionately involved in those subsistence activities that can be more easily managed alongside household responsibilities, such as cultivating vegetables and taking care of homestead gardens. Consequently, women are less involved in commercial agriculture than men and, when they do get involved, they tend to hold lower-skilled, lower-pay positions. Women often exhibit lower productivity in agriculture than their male counterparts, as they tend to be disadvantaged in access to education and training, coupled with time and mobility constraints (FAO, 2015; Glazebrook *et al.*, 2020).

Digital agriculture can help women and other smallholder farmers in developing countries overcome or compensate for the barriers they face by providing tools that can help raise productivity, competitiveness, and access to export markets.

Source: Adapted from UNCTAD (2020b).

Box 7: Agricultural technologies and productivity

Even though specific local conditions matter, evidence suggests that men tend to adopt new agricultural production technologies at higher (and faster) rates than women (Aduwo *et al.*, 2019; Ragasa, 2012; Rola-Rubzen *et al.*, 2020). There are gender gaps for a wide range of agricultural inputs and technologies, including machines and tools, fertilizers, crop protection products, animal breeds, improved plant varieties and irrigation schemes (Croppenstedt *et al.*, 2013; FAO, 2018; Peterman *et al.*, 2014). These differences apply across the spectrum of technologies from basic to sophisticated digital agriculture technologies and information and communication technologies. This low-productivity trap, in turn, inhibits the efficient functioning of value chains and an expansion of trade, as women input providers miss out on potential markets, and agribusinesses miss out on the potential for high-quality and reliable supplies of produce from women farmers and agro-processors.

Nonetheless, there are many success stories showing how access to digital agriculture can be a source of both empowerment and higher productivity for women. In India, Nano Ganesh is a remote control for water pumps developed by an Indian company, Ossian Agro Automation. Its electronic hardware for turning pumps off and on can be activated remotely by mobile phone. This helps women (and men) farmers use water more efficiently. Without remote controls, farmers either must make special trips to the fields at night to turn pumps on (electricity is often available only during off-peak hours), or they must leave the pumps on to run on the intermittent electricity supply, wasting water, reducing income and eroding soil. Particularly for women farmers, nighttime trips can be risky and difficult. This innovation has also generated new activities, which provide additional sources of income for women in the company's rural call centres, electronics assembly, and marketing and training (Deichmann *et al.*, 2016).

Source: Adapted from UNCTAD (2020b).

Conclusions and policy recommendations

This study examined the opportunities that digitalization can provide. It has identified gaps between and within countries that, if not addressed, risk leaving behind countries and those segments of the population that are already at the margin of globalization. The focus of the analysis has been on the promises that digitalization can especially bring to women, but also on the gendered barriers and challenges they face. The agricultural sector was selected for sectoral analysis both because it remains a female-intensive sector in many developing countries and because digitalization is a rapidly growing trend within agriculture.

The 2030 Agenda and other global commitments affirm that technological capabilities, especially in ICT, are critical to support women's empowerment, as well as economic productivity, international cooperation, and more sustainable patterns of production and consumption. Technological capabilities set a virtuous circle between access to technology, women's economic empowerment and overall development. Since digitalization is expected to keep expanding in the coming years, commitments to close gender gaps and digital divides need to be translated into concrete policies and initiatives.

There are clear economic benefits for countries to involve more women in the development and in the use of new technologies. However, these positive developments cannot be expected to happen without appropriate supporting measures. Obstacles that negatively impact women's participation in the digital world should be identified, quantified and addressed.

While the availability of digital devices (e.g. mobile phones, computers, tablets, among other things) and fast and reliable Internet coverage is now guaranteed in the developed world, the situation is different in the developing world, and especially in the poorest countries. Rural areas are particularly disadvantaged.

The capacity to use the Internet for personal development and income generation remains an issue in many countries and especially for women. Women's lower rates of technological literacy and awareness, lack of skills and knowledge about the benefits of digitalization, cost, limited relevance of the content they can find on the Internet, and some mismatch between their needs and the technological solutions available in agriculture, are primary reasons for the observed levels of low technology adoption and for limited productive use of the Internet.

While many stakeholders are involved in the process of digitalization, the primary responsibility to develop and implement appropriate policies and regulations stays with national governments. The following initiatives fall within governments' responsibilities: developing ICT infrastructure; bringing down subscription costs; investing in digital education; ensuring data protection and private security of online transactions; addressing cyber violence; improving national coordination among different stakeholders and different policies; and ensuring that the opportunities provided by digitalization are fairly shared among all actors.

There are areas where government, private sector, and development partners could effectively join forces. Partnerships could be especially useful to improve women's digital literacy, a pre-condition for using digital technologies safely and in a beneficial manner.

It is important to highlight that data and algorithms are not neutral, and they can discriminate against certain demographic groups. Partnerships between governments, ICT companies and gender experts could facilitate the integration of data that represent women and other under-represented groups, identify and tackle potential gender-discriminatory impacts of algorithms and monitor them.

Countries, especially developing countries and LDCs, very often lack data, including sex-disaggregated data, on the overall impact of digitalization on the economy and on who is benefiting from new digital opportunities. From a gender perspective, policymakers need quantitative data on women's access and use of technology, but also qualitative data on existing discriminatory laws and practices related, for example, to women's access to land, capital and credit, and access to digital technical information. Systematic data collection would be a first step towards designing digitalization strategies that address the needs of individuals and businesses with different resources and capabilities.

> Countries, especially developing and least-developed countries, very often lack data, including sex-disaggregated data, on the overall impact of digitalization on the economy and on who is benefiting from new digital opportunities.

In the agriculture sector, there is great potential for digitalization to help address rural poverty, as well as the economic and environmental imbalances generated by globalized food markets. To guarantee that the benefits of digital technologies are equally shared, gender-inclusive interventions are needed to tackle both social norms and economic sources of gender disparities in the sector, from gaps in land ownership, to access to finance, to technical knowledge. Desirable policy interventions include the following: supporting women's access to land; organizing gender-inclusive projects to facilitate household dialogue around family goals to help challenge traditional gender role stereotypes; designing advisory services in ways that address the specific needs and contexts of both men and women; integrating in-person support with digital training to help address digital literacy barriers; providing direct support to rural women farmers in opening mobile money accounts; engaging with community-based organizations to help identify the women farmers that can be supported (Chassin, 2022). Better access to agricultural technology for women could translate into both increased agricultural productivity and enhanced women's empowerment, creating a virtuous circle.

Finally, more women need to participate in the process of innovation to make digital technologies more attuned to their needs. Letting digital technologies widen gender gaps and ignoring the specific challenges that women face in the process of digitalization would contradict the hope for a world where opportunities are equally shared and nobody is left behind.

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Endnotes

1. The United Nations Educational, Scientific and Cultural Organization (UNESCO) defines ICT as a "Diverse set of technological tools and resources used to transmit, store, create, share or exchange information. These technological tools and resources include computers, the Internet (websites, blogs and emails), live broadcasting technologies (radio, television and webcasting), recorded broadcasting technologies (podcasting, audio and video players and storage devices) and telephony (fixed or mobile, satellite, visio/video-conferencing, etc.)" (see http://uis.unesco.org/en/glossary-term/information-and-communication-technologies-ict).
2. The first phase took place in Geneva in December 2003; the second phase took place in Tunis in November 2005. WSIS Forums are organized on a yearly basis.
3. This study follows the UN country classification for statistical use, with 47 countries currently listed as LDCs.
4. Fintechs companies have incorporated algorithmic technology into their solutions especially for applications that use large amounts of historical and real-time data. Algorithms are supporting fintech companies understand data by going beyond traditional reporting, help in predictive analytics, and allow firms to make quick decisions.
5. See https://www.ohchr.org/en/statements/2022/06/trade-and-right-food-path-sdg2.

Gender mainstreaming in trade agreements:

“A Potemkin Façade”?

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Abstract

The distributional outcomes of trade agreements have historically been uneven, creating both "losers" and "winners" and benefiting certain stakeholders while leaving others without benefits or even with negative repercussions. In particular, distributional outcomes can vary between women and men, since they play different roles in society, markets and economies, and they enjoy different opportunities as well. At times, and sometimes by their very nature, trade agreements can restrict opportunities for women and further increase the gender divide. But in recent years, there has been a drastic upsurge in the number of countries that are incorporating commitments on gender equality in their trade agreements.

Currently, of all regional trade agreements (RTAs) in force, around one-third have at least one explicit provision relating to gender equality. Yet few trade agreements clearly provide for how gender-related commitments could be implemented or enforced, and no trade agreement approaches gender on a holistic level, which will ultimately be needed to meaningfully address distributional issues. Most legal provisions incorporated in trade agreements so far have been drafted in the spirit of best endeavour cooperation and are often blamed for being mere "Cinderella" provisions. In order to reverse the distributional inequities, a more comprehensive approach based on women's roles and economic realities is needed, as is further research on what would improve distribution of opportunities for women. With more and more countries considering gender mainstreaming, this raises an important question: Is "gender mainstreaming" in trade agreements used as a "Potemkin Façade" to hide larger distributional issues? This chapter will not fully answer this question, but it will expand upon possibilities and offer reflections to spark debate and discussions on this concern.

Trade is not "gender neutral"

It is finally becoming a norm to link gender with trade (Bahri, 2021a; Crenshaw Williams, 1989; Korinek *et al.*, 2021; Kuhlmann, 2023a),[1] with gender provisions appearing in an increasing number of regional trade agreements (RTAs).[2] This signals a movement away from viewing trade as "gender neutral" (Korinek *et al.*, 2021; WTO, 2020), dispelling a decades-long claim that both women and men stand to gain equally from trade. As a significant watershed moment in this shift, a number of countries supported the 2017 WTO Buenos Aires Joint Declaration on Trade and Women's Economic Empowerment, which led to establishment of the WTO's

Informal Working Group on Trade and Gender and an enhanced focus on trade and gender. Trade agreements have incorporated gender equality and women's economic empowerment, aligning trade instruments with the broader women's equality movement (Bahri, 2021b, 2022; UN Women, 2001; von Hagen, 2014)[3] and forging a closer link between trade and human rights (Aaronson and Chauffour, 2011; Kuhlmann, 2023b),[4] in furtherance of the United Nations Sustainable Development Goals (SDGs).[5] For the purposes of this chapter, "gender equality" will be used to refer to the equality of rights, responsibilities and opportunities and equal consideration of the "interests, needs, and priorities of women and men" (UN Women, 2021). Women's empowerment refers to the process of increasing women's access and control over strategic life choices and opportunities in the economic, political and sociocultural spheres (Chen and Tanaka, 2014).

Incorporation of gender concerns in trade agreements is in keeping with a larger trend to integrate social issues, sometimes referred to as "trade and" issues, into trade agreements, although much of the progress in this respect has been more aspirational than binding. Progress in some areas has been more substantial, such as increased incorporation of labour rights in trade agreements,[6] and integration of environmental matters in RTAs is on the rise as well (Kuhlmann, 2023b).

However, despite advancements and lofty goals, which are discussed in detail below, longstanding distributional issues remain (Engel *et al.*, 2021). In particular, trade's distributional outcomes can vary between women and men, who face different opportunities and challenges and hold very different roles in society, markets and economies (Fontana, 2009; Fontana and Paciello, 2010). Women tend to be disproportionately impacted by the negative effects of trade liberalization and face greater barriers when engaging in economic activity. Some of this is due to gender bias in education and training, along with inequality in wages and distribution of resources and unequal access to productive inputs such as credit, land and technology (ITC, 2015, 2020). Because of the changing dynamics of employment caused by trade, women's jobs and livelihoods can be put at risk, especially when industries that predominantly employ women are disrupted (Bahri, 2021a).

In particular, women face a number of challenges due to the more uncertain and precarious nature of their work, the lack of social safety nets, lack of affordable finance and credit, inadequate physical and reputational collateral, and their role in unpaid and informal work (Kuhlmann, 2023a; UNCTAD, 2020). These include factors that directly impede women's access to productive resources (such as capital, property ownership or employment markets), which negatively impact women's economic and social independence (Duflo, 2012). The barriers that women face also include legal hurdles to inheritance, contractual ability, and property ownership (World Bank, 2019). Although digital trade has given rise to new opportunities for women, they are also particularly affected by the digital divide (AfCFTA Secretariat and UNDP, 2020), which, when combined with legal issues, impacts women's ability to leverage new opportunities offered by digital trade or e-commerce.

Women also face a number of regulatory barriers (or "regulatory gateways"; Kuhlmann, 2021, 2023a)[7] that limit their participation in markets. These include domestic rules and regulations that fall within the category of non-tariff measures such as sanitary and phytosanitary (SPS) measures, standards and border measures, many of which are not gender-responsive (Kuhlmann, 2023a).[8] In terms of border measures, women traders face procedural challenges

> **Distributional challenges are not limited to trade in goods, as they also include discriminatory practices in services sectors, where women tend to be heavily involved.**

and safety issues at the border (Apiko *et al.*, 2020), although the implementation of the WTO's Trade Facilitation Agreement[9] has simplified measures and encouraged digitalization of border procedures in order to reduce waiting time. Women traders also often lack information on cross-border regulations and procedures (Fundira, 2018), putting them at a disadvantage and subjecting them to costly and sometimes dangerous delays at border crossings.

Distributional challenges are not limited to trade in goods, as they also include discriminatory practices in services sectors, where women tend to be heavily involved (Acharya *et al.*, 2019; Kuhlmann, 2023a).[10] Women are also disproportionately involved in the informal sector, which, while sometimes more flexible, may offer little security and room for advancement (UN Women, 2021).[11] Within the informal sector, migrant women face some of the most significant challenges, as the COVID-19 pandemic has underscored (Fitzpatrick and Kelly, 1998; UNCTAD, 2020)

These observations show how distributional effects of trade, as well as trade policy instruments, can impact vulnerable groups and historically disadvantaged communities, including women. For example, a recent World Bank study notes that South African trade reforms generated diversification and growth in exports but that these gains from trade were disproportionate and not experienced as fully by historically disadvantaged communities (Engel *et al.*, 2021). Hence, if not carefully crafted and accompanied by better "bottom-up" measures at the national level, "top-down" trade agreement provisions can act to limit opportunities for women and further increase the gender divide rather than promoting gender inclusion and expanding women's potential to benefit from trade in practice (Bahri, 2021b; Kuhlmann, 2023a).[12] However, when approached with a gender lens and through tailored gender-mainstreaming strategies,[13] trade agreements may have the potential to generate more economic opportunities and result in reduced barriers for women (Bahri, 2021b; Hyder and Behrman, 2012; Klugman and Gamberoni, 2012). Two things in particular support this claim. First, existing and future trade agreements between countries can increase trade flows and hence lead to more business and employment opportunities for all, including women (Bahri, 2020). Second, through regional or bilateral trade agreements, countries can agree to make domestic changes aimed at bringing down the barriers that women face as employees, entrepreneurs or consumers (Bahri, 2020).

This chapter will explore gender mainstreaming approaches under RTAs to date, critically assessing what has been done in terms of distributional impacts and levelling the playing field between women and men. In doing so, the chapter will reference two frameworks developed by us. One is Bahri's Gender Responsiveness Scale (Bahri, 2019),[14] which textually assesses RTA provisions in light of how well they mainstream gender equity considerations, and the other is Kuhlmann's Inclusive Trade and Development Index (Kuhlmann, 2021), which contextually assesses RTA provisions based on qualitative top-down factors (differentiation, sustainability and flexibility) and bottom-up factors (equity, inclusion, reduction of regulatory barriers/gateways and implementation) that provide an opportunity to integrate the distributional questions discussed above. The following sections will discuss current RTA approaches and their contributions and shortcomings before turning to how these approaches could be applied more holistically to gender mainstreaming in RTAs.

Current RTA provisions: A comparative approach

The WTO's database on gender provisions in RTAs highlights 300 provisions across about 100 agreements that focus on women's interests or gender equality.[15] This means that almost one-third of RTAs currently in force and notified to the WTO contain gender-related provisions. Broken down by region, of the trade agreements notified to the WTO, 78 per cent of Europe's RTAs contain at least one gender-specific provision; in comparison, this figure is 38 per cent for North America, 20 per cent for South America, 32 per cent for Africa and 14 per cent for RTAs in the Asia-Pacific region (Bahri, 2021b). These five regions – Europe, North America, South America, Africa and the Asia Pacific – will be used for comparison. A look at the individual countries shows that most recently Canada, Chile and the European Union have been leaders in including gender provisions in RTAs (Bahri, 2021b). However, while many countries have applied a gender lens to their trade agreements,[16] many others have yet to do so. Moreover, some such as the United States, have taken a partial approach, with a predominant focus on gender-focused labour rights obligations.

Although incorporation of gender in trade agreements is a relatively new trend, there is some historical precedent, linking gender to trade instruments in Europe and Africa. One of the first references to the inter-relationship between gender and commerce can be found in the Treaty on the Functioning of the European Union (TFEU), which contains a binding commitment on equal pay for equal work for women and men (Bahri, 2022).[17] Now, Europe's trade agreements address gender in the broader context of sustainable development, social development and social cohesion, which encompasses labour, education, health, human rights and the environment.

African trade agreements also have a history of incorporating gender-sensitive provisions that date back to the 1980s (Gammage and Momodu, 2020). Examples include African regional economic communities (RECs) such as the East African Community (EAC),[18] the Common Market for Eastern and Southern Africa (COMESA),[19] the Southern African Development Community (SADC),[20] the Economic Community of West African States (ECOWAS)[21] and the Economic Community of Central African States (ECCAS).[22] More recently, South American RTAs have advanced the field further through incorporation of separate gender chapters.[23]

> “Although incorporation of gender in trade agreements is a relatively new trend, there is some historical precedent, linking gender to trade instruments in Europe and Africa.

Gender provisions in RTAs can be compared based on several common elements. These include: the location of gender provisions; the language of gender provisions, including whether they are of a binding or non-binding nature; and the content of gender provisions, which can be broken down into aspirational and affirmative provisions. The context of gender provisions, or the degree to which provisions are tailored to address specific challenges or opportunities, can most directly address women's needs, roles and circumstances (Kuhlmann, 2023a), linking more closely to distributional issues. These factors are compared in greater detail below.

Location of gender provisions in RTAs

Gender provisions are often assessed based on their location in RTAs. Location varies considerably across RTAs and regions, and it matters in terms of agreement commitment and implementation (Bahri, 2022). Gender-related provisions can appear in: agreement preambles and objectives; annexes; non-specific articles on related issues such as labour, agriculture and intellectual property;[24] specific articles on gender; side agreements, which are often focused on related issues such as labour (e.g. Canada–Colombia and Canada–Costa Rica FTAs); and even stand-alone gender chapters in RTAs or separate protocols (e.g. Canada–Panama, Canada–Chile, Canada–Israel, Chile–Argentina, Chile–Brazil and Chile–Uruguay FTAs) (Bahri, 2019; Kuhlmann, 2023a; Monteiro, 2021). The placement of gender and trade provisions has been comprehensively assessed, and it informs how gender is viewed in the larger context of a trade agreement and impacts the degree and depth of commitments (Kuhlmann, 2023a; Monteiro, 2021).

Frontloading gender commitments in an agreement's preamble or general objectives can help to mainstream a gender perspective. Although neither an agreement's preamble nor general objectives are legally binding, nor do they contain any precise or concrete commitments, they help set the tone for an agreement. The preamble is a vital part of any international instrument or agreement, as it can be instrumental in determining the intentions of the negotiators or drafters of the agreement at the time it was concluded.[25] In disputes arising out of a given agreement, decision-makers can consider the wording used in the preamble to identify the parties' underlying objectives and intentions. One recent example is the Preamble to the 2018 Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which stresses "the importance of promoting … gender equality…", alongside environmental protection, labour rights, sustainable development and indigenous rights.

Following earlier examples in Europe and Africa, Latin America (particularly Chile) has taken the lead on employing a more comprehensive approach with the incorporation of standalone gender chapters (Bahri, 2021b). A few other countries, namely Canada and Israel, have adopted a similar chapter-focused approach. Gender chapters so far cover parties' acknowledgment of women's role in international trade, commitments to cooperate on reducing barriers to trade, procedures and institutions for implementing commitments, and reaffirmations of commitments to international treaties and conventions, such as the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) and International Labour Organization (ILO) conventions (such as in the US–Republic of Korea, Canada–Israel and Canada–Chile FTAs) (Bahri, 2021b). To date, only a handful of countries have signed RTAs with standalone gender chapters: Argentina, Brazil, Canada, Chile, Ecuador, Israel, Japan, the United Kingdom and Uruguay. In the near future, more countries are expected to follow this trend. Chile, for example, is negotiating a gender chapter with Paraguay, and, together with Colombia, Mexico and Peru, is considering the inclusion of a gender chapter in the agreement between the Pacific Alliance and Associates (Canada, New Zealand and Singapore).[26] Recently, Canada, Chile and New Zealand negotiated the first-ever freestanding international cooperation agreement on trade and gender – the Global Trade and Gender Arrangement (GTGA) – which was signed in August 2020 (Mexico, Colombia and Peru have since joined as well), and includes commitments on non-discrimination, cooperation, exchange of good practices, and non-derogation from gender protections to promote trade and investment, using a legal construct increasingly common in the labour and environmental areas.

Other countries and regional bodies have negotiated supplementary or independent instruments that integrate gender equality and trade concerns, such as separate protocols,[27] recommendations,[28] or standalone agreements (GTGA, 2020) (Bahri, 2021b). A separate gender protocol (Protocol on Women and Youth in Trade) is also under negotiation under the African Continental Free Trade Area (AfCFTA) Agreement. Supplementary instruments subsequently negotiated and agreed to by the parties are generally required to stay within the scope defined by the main agreement. Hence, a protocol could be a welcome addition if it is used to expand upon an agreement's provisions on gender equality through more precise commitments. In some cases, such as the SADC and the AfCFTA, a protocol approach is consistent with the nature of the trade instrument (Kuhlmann and Agutu, 2020), and would be roughly equivalent to a gender chapter in the main agreement text.

Language of gender provisions

Another lens through which gender provisions can be assessed is their language. When combined with location, language points to commitment of the parties and the degree to which individuals and communities can rely upon the rights and obligations referenced in the agreement. While the trend to include gender is promising, many provisions are drafted in the form of general acknowledgements of gender equality (Bahri, 2021b), with the use of non-mandatory verbs and "soft" permissive grammatical constructions (Bahla and Wood, 2019; Aaronson and Chauffour, 2011). This is common across other social provisions in RTAs, with the exception of certain provisions, such as labour provisions.[29]

Across gender provisions in RTAs, most do not contain any language on implementation or enforcement, with the exception of provisions in the Canada–Israel FTA, some of Chile's FTAs[30] and African agreements; however, more careful examination of these provisions highlights some important gaps. For example, the language in the Canada–Israel FTA provides that the jurisdiction of the agreement's dispute settlement will apply to its chapter on trade and gender only on an "opt-in" basis, requiring the parties' consent and effectively undermining its enforceability (Bahri, 2021b). A number of RTAs, such as the CPTPP and the Canada–Chile Free Trade Agreement (CCFTA),[31] include language explicitly excluding gender-related provisions from the application of dispute settlement (Bahri, 2021b). With the exception of labour rights, other human rights provisions in RTAs are largely not enforceable, relying instead on dialogue and coordination among the parties (Aaronson and Chauffour, 2011).

In some agreements, mainly the most recent ones, countries are using "partially binding" language that neither amounts to binding commitments nor mere best endeavour promises. In such cases, countries use a combination of binding and non-binding expressions, such as the use of "'shall"

> Many gender provisions are distinctly different in their role and function, and they often create very different types of obligations.

before or after "cooperate"' or "may" or "consider" combined with "endeavour" or "prioritize". These combinations of soft and hard expressions keep the provisions non-binding in nature, but they may still have a stronger symbolic force. One example is Article 25.2 of the USMCA, which states that "each Party shall seek to increase trade and investment opportunities" through a number of cooperation activities listed in the same provision.

Content of gender provisions

While location and especially language are important, assessing the content of gender provisions requires a deeper approach. Many gender provisions are distinctly different in their role and function, and they often create very different types of obligations. Here we assess two categories of provisions, aspirational and affirmative. Aspirational content encompasses descriptive language stressing the importance of addressing gender issues and tends to be of a less concrete nature that does not lead to specific commitments. Affirmative content encompasses functional provisions that create some sort of commitments that require parties to take positive action, such as incorporation of other international agreements or cooperation provisions. Across both of these dimensions, context should be considered, as it relates to the roles that women hold economically and socially, such as employees and mothers, and it ties content to distributional impact.

Aspirational content

Aspirational provisions that highlight women or gender or recognize the importance of women's economic empowerment are among the most common in RTAs and tend to appear in agreement preambles or objectives clauses,[32] making them among the least binding and most ambiguous in terms of substantive commitments but nevertheless important for signalling the intent of the negotiators or drafters (Bahri, 2021b).[33] Based on Bahri's Gender Responsiveness Scale, agreements or provisions containing aspirational content tend to be the least gender-responsive (categorized as Level I), and they serve mainly to acknowledge principles and priorities and build awareness (Bahri, 2019).

Aspirational provisions need not be limited to agreement preambles and objectives, however. The Development Chapter of the CPTPP (Chapter 23) includes aspirational provisions on women and economic growth (CPTPP, Article 23:4(1)), which "recognise that enhancing opportunities in their territories for women, including workers and business owners, to participate in the domestic and global economy contributes to economic development." This language precedes a non-mandatory cooperation clause "shall consider undertaking cooperative activities", which is focused on a number of activities, including training, advice and exchange of information (CPTPP, Article 23:4(2)).

Affirmative content

Current gender provisions also encompass affirmative content that goes beyond mere symbolic or aspiration-based provisions, as it creates some sort of obligation, even though many provisions remain non-binding. Affirmative content generally includes: (i) affirmations of recognition and adherence to other international agreements on gender, such as CEDAW;[34] (ii) provisions outlining cooperation on gender issues; (iii) institutional provisions including the establishment of committees for cooperation and exchange of information; (iv) establishment of core human rights commitments, such as those to eliminate discrimination against women, in line with CEDAW and ILO conventions; (v) exceptions, waivers and reservations; (vi) minimum legal standards and voluntary standards (such as corporate social responsibility); and (vii) dispute resolution mechanisms (ITC, 2020; Kuhlmann, 2023b; Kuhlmann *et al.*, 2020).[35] As noted, the latter often consist of soft committee-based provisions to amicably resolve differences, even though there is very limited precedent for a shift away from soft dispute resolution.

Reaffirmations that recognize other international agreements on gender and other related areas, such as CEDAW and ILO conventions, are particularly common in RTAs. Examples include the 2008 SADC Protocol on Gender and Development and the Canada–Israel and Canada–Chile FTAs. While reaffirming statements can be an important way of recognizing other legal instruments, they tend to serve to reinforce prior commitments rather than create new obligations. These commitments are seen as having a slightly higher level of responsiveness than mere aspirational provisions (categorized as Level II) under Bahri's Gender Responsiveness Scale.

Provisions on cooperation are also very common, although they tend to be best endeavour provisions that do not directly affect the rights of RTA parties. These provisions can focus on a number of things, including enhancing women's access to education, skill development, digital training, health services and productive resources to increasing representation of women in decision-making and policy roles (Bahri, 2019).[36] Alone, cooperation provisions qualify as acceptable (Level III) under Bahri's Gender Responsiveness Scale.

Some of these provisions do establish institutional mechanisms to foster cooperation, such as the creation of new committees and working groups, which would qualify them as advanced commitments (Level IV) in Bahri's Gender Responsiveness Scale. For example, Article 13.3 of the Canada–Israel FTA notes that: "Parties shall encourage the involvement of their respective government institutions, businesses, labour unions, education and research organizations, other non-governmental organizations, and their representatives, as appropriate, in the cooperation activities." At the moment, cooperation provisions appear to be the trend in gender

“While reaffirming statements can be an important way of recognizing other legal instruments, they tend to serve to reinforce prior commitments rather than create new obligations.

and other social provisions in RTAs (Kuhlmann, 2023b), regardless of the distributional issues they are meant to address.

Some RTAs also incorporate core human rights commitments, most commonly the commitment to eliminate discrimination against women, particularly in the workplace. These go beyond references to other treaties and conventions to incorporate binding rights into RTAs. Examples include commitments in the SADC Protocol on Gender and Development on gender-based violence and human trafficking, which are actually quite binding in language ("shall" "enact and enforce legislation") and nature.[37] Another example is the EU–Montenegro Agreement, which requires that Montenegro provide for better working conditions and equal opportunity for women under its domestic law.[38] This latter example is also notable, since it is a singular clause that is particularly binding and affirmative.

RTAs can also include gender-specific reservations, waivers or legal standards. These may include the right to subsidize social services, such as childcare, or gender-responsive government procurement schemes (e.g. in the U.S–Central America–Dominican Republic Agreement). In a number of cases, however, these reservations and standards are quite narrowly applied. Several RTAs incorporate gender-responsive rights to regulate provisions in the context of investment, but these do not appear to apply more broadly to the application of trade rules.[39] Others, such as the USMCA,[40] incorporate reservations in services schedules, but they are applied to specific sectors (here, broadcasting services), without broader horizontal commitments.

Finally, affirmative provisions also include dispute settlement provisions. If legally binding, these would qualify as the highest level in Bahri's Gender Responsiveness Scale (Level V: Optimizing). The trend, however, is to either exempt gender provisions from dispute settlement, include provisions without establishing a channel for implementation or enforcement, or to locate these provisions in the cooperative parts of the agreement.[41] There is, thus, often no penalty for non-compliance or way in which to ensure that gender provisions are implemented in practice. Some exceptions do exist, however, such as the SADC Gender Protocol, which refers disputes to the SADC Tribunal following attempts at amicable resolution.[42]

As argued in the conclusion, the nature of the affirmative provisions included in agreements so far are also inherently difficult to implement, due to their broad and sometimes vague nature and the lack of contextual integration beyond aspirational provisions, meaning that most affirmative provisions are not tailored to address pressing distributional issues faced by women in particular economies and industries, as called for under Kuhlmann's Inclusive Trade and Development Index. Affirmative provisions also often lack definitions of "women's empowerment" or "gender equality" (Bahri, 2021b). This disconnect between women's roles and challenges and current RTA provisions is quite significant, and current provisions are often not tailored to address the realities of women as they relate to a country's or industry's conditions and women's needs (Kuhlmann, 2023a).

Gender provisions in context

While it is helpful to assess gender provisions based on their location, language and content, context is equally, if not more, important. Context relates to women's roles, needs and opportunities, and contextual approaches necessarily go beyond aspirational language and broad affirmations.

We see the beginnings of a contextual approach in some RTAs, which highlight women's roles and exhibit important regional differences. North American and European trade agreements tend to view women in a primarily economic and market-oriented context, and other regions take more of a social approach. For example, the Treaty on the Eurasian Economic Union and the EU–Central America FTA focus on economic barriers that women face, such as access to employment and access to information, along with the need for trade-related capacity-building programmes (Bahri, 2021b); while in the Canada–Israel FTA, women's roles extend beyond their role as employees to include positions as entrepreneurs, leaders, decision-makers and scientists. Other regions' RTAs, such as those in Asia-Pacific focus more on the social dimension and reference healthcare, maternity services, and the elimination of violence and discrimination based on sex (AfCFTA Secretariat and UNDP, 2022). Further, in Africa, RTAs focus on women's access to resources, promoting female entrepreneurship, and enhancing women's representation in political and decision-making positions (Bahri, 2021b).

Table 1 below summarizes different women's roles, divided by regions that have employed such context and a corresponding practice examples.

Table 1: Women's roles by region

Women's role	Regional and representative trade agreements
Women as representatives and decision-makers and social sectors	East and South Africa (COMESA, EAC Treaty)
Women as mothers	Asia-Pacific, Middle East, North Africa (ANZCERTA, Peru–Republic of Korea, Republic of Korea–Central America)
Women as employees	Europe (EU trade agreements with Republic of Korea, Ukraine and Viet Nam), North America (Canada–Jordan)
Women as business owners	Europe (EU–South Africa), South and North America (Chile–Israel; Canada–Chile)
Women's role in growth and development	East Africa (COMESA) and South America (Chile–Uruguay)

Note: ANZCERTA – Australia–New Zealand Closer Economic Relations Trade Agreement; COMESA – Common Market for Eastern and Southern Africa; EAC – East African Community.

As shown in Table 1, most of the current agreements largely focus on women in their roles as mothers, employees or cultural or social actors, and not on their roles as entrepreneurs or decision-makers. Moreover, trade agreements currently do not address the context in which women are engaged economically or contain gender-specific provisions related to sectors that are most relevant for them, such as agriculture (Kuhlmann, 2022), where the distributional effects tend to be more pronounced.

Women play many roles in the agricultural sector, including as primary producers of food and primary providers for their households and also as traders and processors of agricultural products, creating strong links between agricultural trade and human rights, food security, health, livelihoods and the SDGs (Bayat and Luke, 2020; Brown *et al.*, 1995; Kuhlmann, 2017, 2023a). Here, trade's distributional impacts can result from shifts in production away

> Women also tend to face particularly challenging regulatory hurdles including legal barriers relating to access to land and finance and the ability to comply with standards and SPS measures.

from local or family consumption which tends to involve women to a greater degree, to more export-led growth which tends to focus on more capital-intensive, cash-based sectors and crops. Women also tend to face particularly challenging regulatory hurdles including legal barriers relating to access to land and finance and the ability to comply with standards and SPS measures,[43] the latter of which can require significant investment, economies of scale and technical capacity (Acharya *et al.*, 2019; Henson, 2018; Kuhlmann, 2023a). Women's limited access to agricultural inputs (including seeds, technology and extension services) has a regulatory dimension as well and impacts the ability to transition into higher value-added production and ultimately benefit from trade opportunities (FAO, 2015; STDF, 2015; UNCTAD, 2019). All of these considerations could be addressed through tailored provisions focused on goods and services, non-tariff measures, rules areas like intellectual property rights, capacity building and access to finance, among others.

This example highlights the disconnect between trade's distributional impacts and the limited degree to which current trade agreements address women's needs in context. Ideally, location, language and content of gender provisions should relate to women's roles economically and socially, leading to concrete ways in which to improve women's lives. However, these contextual aspects are weakly integrated into current RTAs, as they either appear in aspirational provisions that have less impact on their actual implementation or as best endeavour cooperation provisions that are not at all enforceable in nature. This dichotomy leads us to assess whether the current inclusions of such gender provisions is merely an attempt to construct a "Potemkin Façade" or whether it is a "Cornerstone Work" that can provide a basis to ensure that trade agreements in the future work for women.

Potemkin façade or cornerstone?

Potemkin façades are a façade or show designed to hide an undesirable fact or condition, and the term has come to define any kind of initiative taken for the purposes of deceiving others or to provide a misleading impression, usually with an ulterior motive. It is in this same sense that this term is used in this chapter, as the key issue we are seeking to assess is whether the inclusion of gender provisions in existing trade agreements is merely a window-dressing attempt to hide the negative impacts of trade liberalization on women.

As can be seen in the previous sections, trade agreements so far have covered a wide range of concerns, including increasing women's access to resources, markets, health services and education; improving labour standards and business conditions for women traders; and women's protection against sex-based violence and their empowerment as mothers and social or cultural actors. These interests are vital, and they are at the forefront of the protection of basic human rights. Yet, countries so far have assumed all these commitments (with very few exceptions) on a voluntary basis, using permissive grammatical constructions and soft verbs (Bhala and Wood, 2019),[44] with most provisions caved out of the scope of dispute settlement without meaningful repercussions.

This shows that countries so far have undertaken gender commitments in a rather modest and non-binding manner, and they have left the implementation of these activities to available resources and willingness. Countries are not yet ready to undertake these commitments as binding and enforceable (Bahri, 2021a). One challenge is that countries sometimes view more binding commitments as "legal inflation" or "moral imperialism", which more advanced economies can use to impose their values and norms or "level the playing field" through protectionism (Aaronson and Chauffour, 2011; Bahri, 2021b; Kuhlmann, 2023b; van Hees, 2004).

A negotiator from a developing country explains this hesitation in the following words: "If we do not know what we are negotiating, and which provision will be harmful for us, negotiating these provisions with a binding character could be a huge risk for us, as we do not know how they are going to be used by our developed country partners."[45] This observation shows that, when it comes to the inclusion of gender provisions in trade agreements, developing countries can be wary of the intentions of the developed world. Some countries can oppose engagement on gender and other sustainability issues mainly because they link it to their past experiences with the WTO, where, in the words of a trade negotiator, "they were taken for a ride on some such progressive issues by the developed world".[46] These statements show a clear trust deficit when it comes to discussions on gender equality, and countries' efforts to impose binding standards on others may be perceived as a Trojan horse attempt by some, as these provisions may have the capacity to derail developing countries' hitherto achieved progress.

These observations reflect a preference of some countries towards the inclusion of gender issues through a route of cooperation, as that is often seen as a viable starting point. The value of aspirational provisions cannot be underrated, as these provisions can still change the normative environment of trade negotiations and can pave the way for negotiating gender-related commitments for countries with a less developed appetite or understanding on these matters. Voluntary provisions, therefore, provide a "safe abode" for countries with hesitations and challenges.

Yet, there are clear advantages of binding and enforceable provisions, and some countries are taking a step further in negotiating gender commitments with binding force (Bahri, 2021a).[47]

Binding and enforceable provisions can bolster a country's level of commitment towards the implementation of the provisions they undertake in their agreements. In particular, for countries with a low level of political appetite to deal with such matters through international policy instruments, these provisions in their binding form could act as a "top-down" trigger for their public officials to ponder various domestic solutions they could invoke to implement the trade agreements they have signed. These provisions could persuade governments to amend their domestic laws and procedures that create regulatory hurdles for women in trade, responding to Kuhlmann's "Regulatory Gateways" dimension. These provisions, especially in the form of minimum legal standards and other commitments to adapt laws, can especially help countries bring about domestic legal and procedural changes, as governments will have to change domestic legislation and frameworks as per the commitments they undertake in these agreements as they ratify and implement these agreements.[48] Such an approach could be particularly important for

> **If we do not know what we are negotiating, and which provision will be harmful for us, negotiating these provisions with a binding character could be a huge risk for us, as we do not know how they are going to be used by our developed country partners.**

smaller enterprises and vulnerable communities (Kuhlmann, 2021), which may need the legal clarity to enforce their interests under an agreement. This is an example of a contextual approach, which would bridge the disconnect between distributional impacts and trade commitments, yet it is not common in RTAs.

Building upon such commitments, governments could take other actions to help women reduce the barriers they otherwise face in accessing trade opportunities through work on enhancing women's access to productive resources such as finance and information and up-scaling their level of education and skill development in areas that can lead to lucrative opportunities. However, in order for this to work, it is important that these provisions directly correspond and respond to the barriers women face in accessing opportunities offered by international trade. Such provisions would also further incorporate context and address the deep disconnect between provisions and barriers faced.

Another problem with the content of the aspirational as well as affirmative provisions is the difficulty that countries face with their actual domestic implementation. One negotiator observed the following:

> "We should not be forced to implement things that our country is not otherwise prepared to implement. We do not want to talk about enforcement or implementation yet; we want to start with cooperation and exchange of ideas to begin with."[49]

These observations reflect a strong sentiment that some countries are reluctant to engage in trade and gender discussions, especially when they are made to operate under a constant fear of being sued or facing sanctions. Moreover, another important dimension of these statements is the problem associated with putting such commitments into action. As the previous sections have shown, current gender provisions are often included in trade agreements without any accompanying provisions on how such provisions might be implemented by the respective countries. In this sense, countries draft such provisions often without providing any clarifications or details on which stakeholders or committees might be responsible for monitoring or implementing such provisions, which procedures might be useful for their implementation, how the parties will monitor or review their implementation and impact, and how countries might go about financing their implementation.

Without working out the implementation mechanics, it is difficult to see how such commitments would ever be put to application. To ensure that these provisions do not remain mere "Cinderella" promises, however, it is important that countries in future trade negotiations give some thought to the creation of dedicated procedures and institutions that can bring these commitments to life. RTAs also need to spell out the milestones and objectives they are expected to achieve, along with a timeline by which to achieve them. One of the most important things in this regard is to provide for funding arrangements to finance gender-related activities. As of today, even the most advanced RTAs in terms of gender do not clarify precise procedures or identify channels to finance these activities.

One final aspect to consider in assessing whether such provisions are merely façades or can be seen as cornerstones is the level of precision with which they are drafted. So far, a very high majority of gender provisions are drafted with very little precision and significant vagueness, with frequent use of ambiguous expressions often without any attempt to address their definition or scope. This reflects a low level of commitment towards positive change. Greater precision would reflect a higher level of commitment because countries would have limited discretion regarding implementation in an identified area. Nevertheless, the value of aspirational provisions, which are often drafted with vague language, must not be underrated; as previously noted, such provisions can still change the normative environment of trade negotiations. Countries sometimes need some flexibility in assuming commitments (Kuhlmann, 2020), particularly when they do not know how an agreement will affect women in practice. Vaguely worded treaty provisions can create flexibility by giving countries more room to manoeuvre. However, the vaguer the rules are, the more power countries may have in interpreting them, and, in the end, these vague rules may not foster much of the needed flexibility.

Conclusion

Based on our assessment, current trade agreements do not adequately address the distributional issues that are central to more inclusive trade, and RTAs rarely focus on how gender-related commitments could be tailored, implemented, enforced or applied. Yet the inclusion of such provisions in trade agreements can encourage positive changes at the domestic level and help women access economic opportunities once put into action. Hence, it may be too harsh to consider these provisions completely as façades, as countries have made genuine attempts to not merely acknowledge the problem as it stands but also to deliberate upon the possible solutions to amplify economic opportunities for women in trade. Sometimes these attempts have been merely symbolic, and on other occasions, they have been either misdirected (as they do not directly address important distributional issues) or entered into with a low level of ambition or commitment (in the form of vague and/or best endeavour commitments which are completely unenforceable). In line with this assessment, more significant changes could be contemplated in terms of the content, language and contextual specificity of future provisions.

Women's economic empowerment will depend upon crafting and applying commitments designed to address the social and economic aspects of women's work and livelihoods. It will also require the lowering of barriers that affect women's participation in the economy and impede their access to productive resources, including legal dimensions. All of these aspects speak to whether RTAs adequately incorporate equity and inclusion, particularly in order to address distributional issues and promote women's economic opportunities, enhanced skills, entrepreneurship, access to finance and bridging the digital divide, among others.

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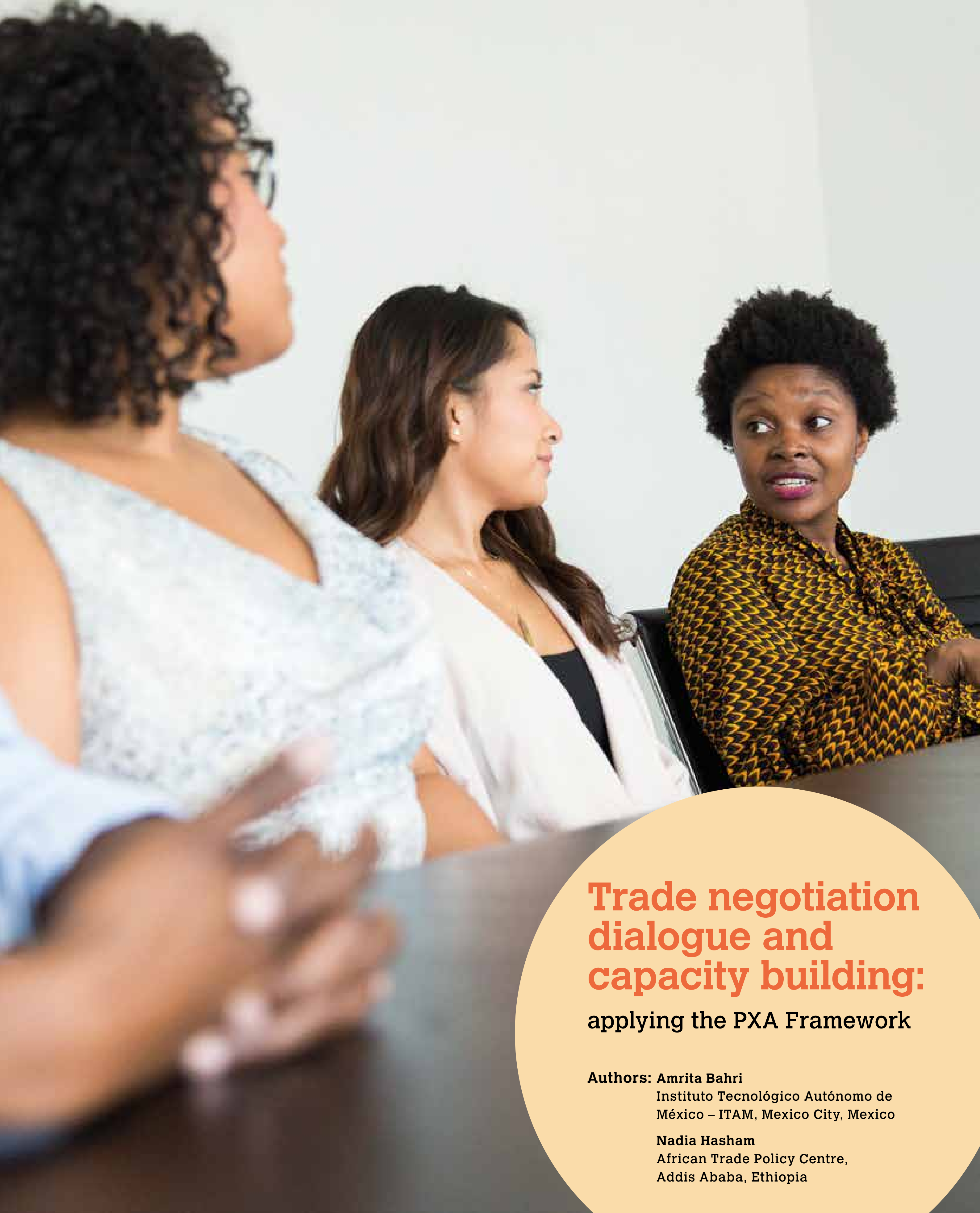
Endnotes

1. Incorporation of gender in trade agreements can be indicated by inclusion of the terms gender, woman, girl, women, girls, maternity, childcare, sex, mother, etc. (Bahri, 2021a). It is also important to note that gender should be interpreted broadly to include sex, gender identity and gender expression, and an understanding of women's experiences should be both "intersectional" and "multidimensional" (Crenshaw Williams, 1989; Gathii, 2020; Kuhlmann, 2022).
2. There are more than 300 provisions across 100 FTAs that refer explicitly to women's interests or gender equality. This is over one-third of the FTA that are currently in force and notified by WTO members (Bahri, 2021b)
3. A number of terms and concepts can be used to describe a greater role for women in trade; many of these date back to the "early days of contemporary public policy debate on gender inequality" (Bahri, 2021b). "Gender equality" is used here to refer to equality of rights, responsibilities and opportunities and equal consideration of the "interests, needs, and priorities of women and men" (Bahri, 2022; UN Women, 2001; von Hagen, 2014).
4. In addition to gender, a number of other human rights appear in trade agreement provisions, including labour rights, privacy rights, political participation, due process, access to information provisions, cultural rights, indigenous rights and access to affordable medicines (Aaronson and Chauffour, 2011). Several human rights instruments are particularly relevant in the gender context, including the United Nations, the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) and the Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa (Maputo Protocol; also referred to as Protocol on the Rights of Women in Africa) (2005).
5. Gender provisions in trade instruments also advance the SDGs, including Goal 5 on gender equality.
6. As of 2016, about 136 countries had negotiated RTAs with at least one labour provision (Harrison, 2019; ILO, 2017; Martínez-Zarzoso and Oueslati, 2018).
7. "Legal and regulatory gateways" are the decision points and hurdles contained within a legal or regulatory process (licence, registration or permit, for example) that "correspond with practical steps that enterprises and other stakeholders encounter in navigating a particular aspect of the legal and regulatory system." They also "signify intervention points to make the rules more equitable, inclusive and efficient." (Kuhlmann, 2021).
8. These measures are all linked to WTO disciplines as well (see Acharya *et al.*, 2019).
9. *Protocol Amending the Marrakesh Agreement Establishing the World Trade Organization*, WTO document WT/L/940, 28 November 2014.
10. Women are increasingly involved in services, ranging from retail and financial services to tourism and hospitality, to healthcare.
11. Informal work includes part-time work, home-based work and other informal sector activity.
12. "Bottom-up" approaches involve national laws, culture and social norms at the domestic level and can have a more direct impact on household livelihoods, taking gender dynamics and gendered impacts into account. On the other hand, "top-down" international law and policies can establish state-to-state commitments and treaty provisions that can contribute to the empowerment of women (see Bahri, 2021b; Kuhlmann, 2022).
13. Gender mainstreaming is a means for achieving gender equality and can be defined as "the (re)organization, improvement, development, and evaluation of policy processes so that a gender equality perspective is incorporated in all policies at all levels and stages, by the actors normally involved in policy-making" (Council of Europe, 1998). In an RTA context, it refers to the process of incorporating gender considerations and concerns into the design of the RTA.
14. "Gender responsiveness" refers to a process that assesses how sensitive, informed or committed the provisions of a trade agreement are to issues relating to gender equality; that is, how an agreement mainstreams gender equality considerations (Bahri, 2019).
15. Available at https://www.wto.org/english/tratop_e/womenandtrade_e/gender_responsive_trade_agreement_db_e.htm.
16. Applying a "gender lens" in the context of trade agreements is a process by which parties seek to include a gender perspective in trade liberalization efforts and policies. Mainstreaming affirms a country's commitment, understanding and political will to reduce gender inequalities through trade policies and agreements (see Bahri, 2022).
17. Article 157 of the TFEU imposes an obligation on each EU member to ensure that the "principle of equal pay for male and female workers for equal work or work of equal value is applied" in their respective jurisdictions.
18. Article 1 of the Treaty for the Establishment of the East African Community (1999) (EAC Treaty).
19. The Treaty Establishing the Common Market for Eastern and Southern Africa (1993) (COMESA Treaty).
20. Article 4(c) of the Treaty of the Southern African Development Community (revised 2015) (SADC Treaty).
21. Treaty of the Economic Community of West African States (1975, revised 1993) (ECOWAS Treaty (Revised)).

22. Article 60(2)(b) of the Treaty for the Establishment of the Economic Community of Central African States (1983) (ECCAS Treaty).
23. See: Chile–Uruguay FTA (2016); Chile–Canada FTA (2019); Chile–Argentina FTA (2019); Canada–Israel FTA (2018); Chile–Ecuador Acuerdo de Complementación Económica (2020); UK–Japan Agreement for a Comprehensive Economic Partnership (2020).
24. See Chile–Uruguay FTA (2016) (Chapter 11.9/6 on labour) and the United States–Mexico–Canada Agreement (USMCA) (Article 14.17 on corporate social responsibility, Article 23.9 on sex-based discrimination in the workplace, Article 25.2 on investment and small and medium-sized enterprises) (Bahri, 2019).
25. Article 31 of the Vienna Convention on the Law of Treaties (Vienna Convention) requires that an agreement must be interpreted in light of its context, object and purpose.
26. Personal communication with a trade negotiator.
27. Articles 20 and 22 of the SADC Protocol on Gender and Development (2008).
28. The CETA Trade and Gender Recommendation is a supplementary document adopted after signature and enforcement of the Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union. It contains recommendations on gender mainstreaming.
29. For example, Article 23.9 of the USMCA states that "each Party shall implement policies that it considers appropriate to protect workers against employment discrimination on the basis of sex".
30. Other examples include the Chile–Uruguay FTA (2016), which provides for the creation of a gender committee to monitor and implement the envisaged commitments and a commitment of parties to solve issues regarding application and interpretation through consultations and dialogue. The Chile–Canada FTA (2019) raises the bar higher by providing operation requirements and functions for its trade and gender committee, as well as a mechanism of parties to engage in consultation to resolve disputes. The Chile–Ecuador FTA (2020) defines contact points and responsibilities as well as a dedicated bilateral consultation mechanism to solve differences that may arise from provisions in the trade and gender chapter. This mechanism is based on mutually acceptable resolution.
31. CCFTA, Article N bis-06: Non-application of Dispute Resolution.
32. For example, Article 5 of the EAC Treaty sets out the objectives of the community and includes the parties' commitment to mainstream gender equality in all its endeavours and enhance the "role of women in cultural, social, political, economic and technological development".
33. Inclusion of such language can also influence the way other provisions are interpreted in accordance with Article 31 of the Vienna Convention.
34. For example, the SADC Protocol on Gender and Development (2008).
35. These are taken from several sources we have written.
36. For example, affirmations on cooperation activities aimed at improving access of women to markets, technology and financing and developing women's leadership and business networks under the UK–Japan Agreement for a Comprehensive Economic Partnership.
37. Article 20:6 of the SADC Protocol on Gender and Development.
38. Article 101 of the Stabilisation and Association Agreement between the European Communities and their Member States, of the one part, and the Republic of Montenegro, of the other part (enforced, 2010).
39. For example, Article 10.2 of the Republic of Korea–Singapore FTA provides that parties reserve the right to regulate foreign investment in respect of childcare services.
40. Article 32.6 of USMCA includes a cultural reservation in the context of broadcasting services to preserve culture, languages, knowledge, traditions and identity, with a special focus on the integration of women and promotion of gender equality.
41. CCFTA, Article N bis-06: Non-application of Dispute Resolution.
42. See Article 36 of the SADC Protocol on Gender and Development.
43. The WTO's Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement), with which most RTAs align, contains important disciplines and an emphasis on capacity building and Special and Differential Treatment (see Articles 9 and 10 of the SPS Agreement, which are often incorporated into RTAs).
44. Most gender-related commitments in USMCA and CPTPP are aspirational and non-binding, and hence non-enforceable, and are sometimes drafted with vagueness and ambiguity, and so they are susceptible to myriad interpretations.
45. Personal communication with a trade negotiator.
46. Personal communication with a trade negotiator.
47. Bahri (2021a) notes how some African countries have assumed binding commitments; however, these commitments have been included without any provision for their enforcement mechanisms.
48. Personal communication with a trade negotiator.
49. Personal communication with a trade negotiator.



Trade negotiation dialogue and capacity building:

applying the PXA Framework

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Abstract

The increasing trend of the inclusion of gender equality and women's economic empowerment concerns in the negotiation of trade agreements creates a need to strengthen informed dialogue between the public and private sectors. Trade negotiators are often not aware of the specific barriers faced by women in their various economic roles, and as a result, face a challenge in promoting provisions that will successfully address these barriers. At the same time, the private sector is often not equipped to communicate its needs to a policy audience and identify the ways in which it can inform the negotiation processes with its information and experience. This gap can be bridged with the help of an institutionalized and structured dialogue between public and private, and international organizations can provide the required institutional and structural support. The public–private coordination and exchange can also help countries – particularly developing countries – overcome the capacity gap in trade negotiations as they can benefit from the inputs coming from the private sector and experts.

In this chapter, the authors propose a first-of-its-kind framework that can be employed to foster public–private dialogue in the context of integrating gender considerations in the negotiation and implementation of trade agreements. This new methodology, known as the PXA Framework, calls for a facilitated workshop divided into three phases: (i) progress and problems; (ii) eXperience; and (iii) application. Each phase of the framework has a dedicated focus area, aim and a set of strategies to engage and foster exchange between both trade negotiators and private sector representatives.

Introduction

The increasing trend of the inclusion of gender equality and women's economic empowerment concerns in the negotiation of trade agreements creates a need to strengthen informed dialogue between the public and private sectors. Engagement of private sector is crucial to ensure that trade negotiations lead to inclusive, as well as informed trade agreements, and this claim is based on a number of reasons. First, the existing literature has already discussed how the private sector can play a significant role in drafting international norms through negotiated trade agreements (Callista, 2018). Second, private industries and companies are generally the key beneficiaries and potential victims of international trade policies, and hence some form of public–private coordination in the conduct of trade negotiations is embedded in the very nature of such agreements (Je, 2018). Third, trade negotiators are often not aware of the specific barriers faced by women in their various economic roles and as a result, face a challenge in identifying or negotiating provisions that can successfully address the barriers that women face. Fourth, the private sector has crucial information, evidence and experience that can inform trade negotiations, but they often are not equipped to communicate their needs to a policy audience and identify ways in which they can inform the negotiation processes.

For these reasons and beyond, efforts are needed to create a channel of communication between public and private stakeholders before, during and post negotiations. This gap can be bridged with the help of an institutionalized and structured dialogue between public and private, and international organizations can provide this institutional and structural support. This mechanism can also help countries – particularly developing countries – overcome the capacity gap in trade negotiations as they can benefit from the inputs coming from the private sector and from the expert intervention of international organizations.

A trade negotiation consultation mechanism between the government and private sector can be referred to as a "public–private consultation arrangement". One report notes with respect to trade negotiations that with this arrangement in place, "the private sector will have clear mechanisms to convey their views (based on their knowledge, practices and experiences) to government negotiators, who can then receive timely information and inputs from the private sector needed for successful FTA negotiations" (Callista, 2018). This mechanism can keep private sector sufficiently informed, supplement the government's negotiation capacity and resources with privately owned resources and information, and ensure that the negotiation process is well-informed and inclusive in nature.

To make these negotiations even more inclusive and comprehensively informed, governments can also engage non-business stakeholders in this process (Petersmann, 2015). This engagement can enhance a country's negotiating capacity as non-governmental organizations, academics, think tanks and research centres can gather, disseminate and analyse the information and evidence required in trade negotiations. However, many scholars have observed that the plurality of this engagement could hamper or otherwise slow down the processes of decision- and policymaking at international fronts (Hannah *et al.*, 2017; Nichols, 2014). Hence, the authors in this chapter seek to propose a structured consultation framework designed to foster interaction and exchange between trade negotiators and business stakeholders, balancing the need for trade negotiators to understand and be able to represent the concerns of their private sector within limited available time and resources.

In this chapter, the authors propose a first-of-its-kind framework that can be employed to foster public–private dialogue in the context of integrating gender considerations in the negotiation and implementation of trade agreements. This new methodology, entitled the PXA Framework,

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calls for a facilitated workshop divided into three phases: (i) progress and problems; (ii) eXperience; and (iii) application. Each phase of the framework has a dedicated focus area, aim and a set of strategies to engage and foster exchange between both trade negotiators and private-sector representatives. The methodology embeds capacity building at every phase to ensure a base level of understanding and the introduction of new evidence where appropriate, enhancing the level of dialogue and helping address the previously mentioned capacity gap in trade negotiations.

The focus in the first phase (progress and problems) is on identifying the problems and challenges negotiators face in trade negotiations and business stakeholders face in accessing market opportunities, together with a discussion on tracking the past progress in these respects. The focus in the second phase (experience) is on exchanging the industry, regional and global practice experience between the industry and negotiators, in line with their concerns and challenges regarding the ongoing negotiations. The focus in the third phase (application) is on assessing how the experience (discussed in the second phase) can be applied to overcome the problems and challenges (discussed in the first phase). This stage of application helps the facilitator define the path ahead by identifying the most suitable practice examples, concrete action points and key lessons learned, which can then practically inform the ongoing negotiations. The first iteration of these phases is conducted with private-sector representatives while the second iteration mirrors these steps for the negotiators, informed by industry experience. The intended output is a set of concrete recommendations that can be considered for negotiations of trade agreements and their supplementary instruments including a protocol.

This methodology is inspired by and is built on a review of the available methodologies relating to trade and gender, including the EU Sustainability Impact Assessment and Canada's Gender-Based Analysis+, which provides a rigorous method for the assessment of systemic inequalities of trade policies and agreements.

Public–private partnership for international trade negotiations: the conceptual underpinnings

A public–private consultation framework for international trade negotiations is a win-win arrangement for both government and businesses. For business stakeholders, a commercial entity that wants to protect or expand its market access interests has reasons to provide its government with the relevant resources (such as information, evidence, finances and even legal or subject-matter expertise) required for the removal of trade barriers and expansion of market access. The privately owned resources can be utilized by the government to carry out the research work to understand the markets and their needs, and accordingly inform the negotiation of their trade policy instruments. In this manner, the constitutional authority of a government to negotiate trade agreements (which are state-to-state treaties) can be indirectly invoked by private industry. The arrangement, therefore, provides industries with an indirect route to access international trade negotiations (Bahri, 2018).

In general terms, a public–private dialogue or exchange refers to an arrangement or understanding between the public and private sectors, where both sectors interact and invest their unique resources to achieve a mutually beneficial goal and both sides share the risks and rewards from the partnership or understanding. In the context of trade negotiations, this arrangement can refer to the synergy of resources between a government and industry during the conduct of negotiations for a trade agreement or an associated policy instrument.

At stake, during this arrangement, are the respective national and exporting interests of a government and an industry, and both sectors are mutually dependent on each other's resources for the protection of their respective interests. Their distinct, yet overlapping, interests can be protected with the reciprocal exchange of resources through an effective partnership arrangement between them (Bahri, 2018). Kooiman (1993) observes that "[n]o single actor, public or private, has all the knowledge and information required to solve complex, dynamic and diversified problems". It is therefore important that the governments and industries function in a complementary manner even during trade negotiations which are in fact complex, dynamic and diversified in nature.

This exchange of resources is even more vital for the resource-constrained governments of developing and least-developed countries. Powell (1991) explains the rationale behind the envisaged relationship in the following statement: "A basic assumption of network relationships is that one party is dependent on resources controlled by another, and that there are gains to be had by the pooling of resources". On the basis of this rationale, the primary objective of the proposed public–private dialogue is to mainly enable the developing country governments to mobilize resources in a cost-effective manner, and thereby strengthen their capacities to engage in trade negotiations with developing or developed country partners.

Methodology employed

The authors have employed multiple research methods for over two years to prepare this framework in its current form. The research commenced with an in-depth review of the literature on trade and gender, gender and development, and feminist economics to gain a conceptual understanding.[1] Together with the literature review, a review of selected free trade agreements (FTAs) was also carried out to understand the ways in which gender considerations have been included in the FTAs so far. Thereafter, the authors employed an empirical approach to gather practical insights. This entailed group discussions, conference participation and semi-structured interviews at various locations with trade negotiators, policymakers, gender studies scholars and international diplomats. Subsequently, the authors carried out a more in-depth content analysis of all FTAs currently in force to understand the nature, scope and strategies employed to include different kinds of gender provisions in FTAs. This then led the authors to understand where we stand in respect of regional as well as global practices of gender mainstreaming in current trade agreements.

> A basic assumption of network relationships is that one party is dependent on resources controlled by another, and that there are gains to be had by the pooling of resources.

Box 1: Pilot consultations: Nairobi workshop, June 2022

The pilot of the Framework's preliminary version was held jointly with the African Continental Free Trade Area (AfCFTA) Secretariat and convened selected negotiators and public and private sector representatives from Kenya and the East African region during a three-day workshop in Nairobi in June 2022 to jointly engage in consultations on the AfCFTA Protocol on Women and Youth in Trade. The authors facilitated this workshop and tested this framework with the help of presentations, group discussions, questionnaires, polls and other activities.

Subsequently, the authors carried out a review of the already available methodologies supporting the integration of gender considerations in trade policy. These included the following: the EU Sustainability Impact Assessment, Canada's Gender-Based Analysis+ and the Mexican Cuarto Adjunto ("Room Next Door") approach. This review of the existing methodologies provides a good understanding of how existing trade negotiations and their impact assessments are conducted with an appropriate gender lens or focus on promoting women's empowerment. It explores the role, if any, that private stakeholders can play in these trade negotiations, and how can they work with trade negotiators to provide inputs for ongoing negotiations. Apart from the Mexican approach, existing frameworks do not specifically create a framework for public–private dialogue during trade negotiations. PXA, therefore, applies the strengths of existing methodologies to a new approach to gender and trade analysis in the context of a public–private dialogue framework that uniquely integrates capacity building.

In order to test the proposed approach, the authors ran a pilot of the Framework's preliminary version jointly with the African Continental Free Trade Area (AfCFTA) Secretariat, convening public and private sector representatives from the East African region on AfCFTA Protocol on Women and Youth in Trade (see Box 1). The Framework was also presented during a dedicated sessions at the WTO Public Forum 2022 and benefited from feedback from experts. Methodological triangulation was used to ensure the comprehensiveness and credibility of the research that led to the creation of this framework (Olsen, 2004).

Proposing the PXA Framework: the nuts and bolts

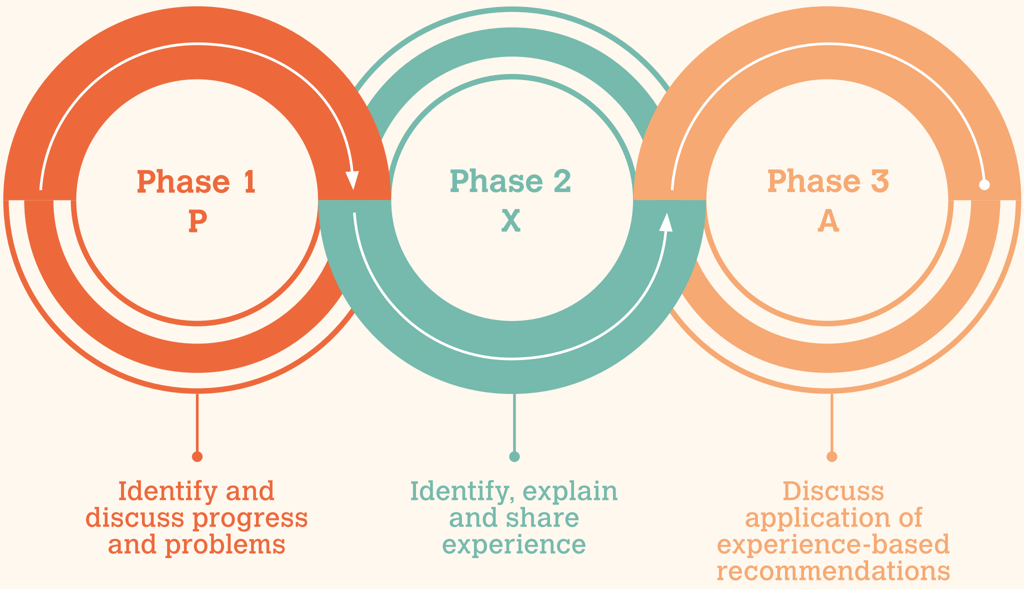
The PXA Framework

Every consultation or capacity-building workshop for ongoing trade negotiations involves discussion on a range of issues that fall within the scope of that particular trade agreement or policy. These matters could range from market access, liberalization, dispute settlement to concerns relating to rule of law, social development or social justice. This makes the nature of such consultations quite complex, and this complexity increases when such consultation sessions are organized for a diverse range of audiences such as trade negotiators and industry officials. This is mainly because public and private stakeholders have different ambitions and interests, and varied approaches and understanding to deal with the matters that they are required to engage in.

For example, when it comes to discussions on adding obligations to reduce gender inequality in trade agreements, the negotiators' idea of fostering gender equality may not fully align with the actual needs of women on the ground and the precise barriers they face in their respective jurisdictions. This may especially be the case if the negotiators have no or inefficient means of exchange with the private sector or women that engage in trade (as entrepreneurs, employees or consumers). This may also depend on the level of organization of these women as well as the level of interaction among government institutions responsible for trade, gender and small and medium-sized enterprise, among others. Finally, the capacity of both the public and private sector officials to understand and communicate the relevant issues may present an additional barrier. This disconnect can be addressed if these stakeholders are able to engage in well-structured and streamlined consultations keeping a common goal in mind. Consultation sessions or capacity-building sessions directed to the negotiation of trade policy instruments including protocols such as the AfCFTA Protocol on Women and Youth in Trade need to have a specific structure that can allow its participants to maximize the results by effectively engaging different stakeholders in the negotiating process.

To achieve this, the authors have carried out a detailed assessment of the existing methodologies as well as the negotiating strategies used by various regions in negotiating their trade agreements. Based on this assessment, the authors have prepared a first-of-its-kind framework known as the PXA Framework. This proposed framework aims to provide a structure to such capacity-building workshops and consultation sessions with public and private stakeholders during trade negotiations that are intended to be carried out with a gender lens.[2]

Figure 1: The three phases of the PXA Framework



Operationalizing the Framework

The structure is divided into three phases: (i) progress and problems; (ii) experience; and (iii) application. For each phase, there are defined steps, activities, expected outputs and focus areas associated with that particular phase. The focus in the first phase (progress and problems) is on identifying the problems and challenges that negotiators, as well as businesses, are facing. Additionally, it involves a discussion on the progress made on negotiating a given trade instrument. Once we have identified the barriers, the focus in the second phase (experience) turns to exchange the industry, regional and global practice experience between industries and negotiators on a given subject, in line with their concerns and challenges. Finally, in the third phase (application), with the knowledge of barriers as well as how the current global and regional experiences can possibly address these barriers, we become well-equipped to discuss how to apply this experience to current negotiations to overcome the discussed barriers and challenges. The intended output is a set of concrete recommendations for ongoing or future trade negotiations.

Phase 1: progress and problems

This phase has a two-fold purpose, as it seeks to engage participants in discussions on progress as well as problems. In the first part of this phase, the participants gain an understanding of a number of issues, such as the nature and purpose of ongoing negotiations, the progress achieved in these negotiations so far, what lies ahead and what remains to be achieved. This is usually done with the help of presentations by negotiators, facilitators and other experts, ensuring a common understanding among all participants and preparing them to engage actively in further conversions and activities.

This phase allows the participants to understand where the ongoing negotiations stand; they are then encouraged in their respective groups to discuss and deliberate upon the problems they face. The nature of these problems differs for trade negotiators and business stakeholders. While the trade negotiators and other public sector stakeholders convene in their individual groups to discuss the problems and challenges they are facing in negotiating the relevant concerns with their counterparts, the business stakeholders organize in their teams to discuss and identify the barriers that impede them from accessing business as well as market access opportunities (see Box 2). Following this pattern, the group discussion concludes with a request to fill out a questionnaire wherein these participants are prompted to underline the key findings and realizations from this discussion.

This phase allows participants to avail multiple benefits. Industries gained an understanding of: what trade agreements are and how they can benefit women-owned businesses; the expected benefits of the given trade agreement to the region, economy and their businesses; the progress and advances made in the negotiations; and how these advances will be relevant and beneficial to their businesses. This helps them define the precise role they can play in supporting and informing the ongoing negotiations process.

For negotiators, benefits include: an understanding of the progress made in respect of negotiating policy instruments they are not directly involved in; the opportunity to share insights with other negotiators and public-sector representatives on the progress they have made on this and other protocols; the underlying tasks and challenges they face; and strategies other negotiators may have employed or ideas they may have to overcome these challenges.

Box 2: Nairobi workshop, June 2022: Phase 1

During the AfCFTA pilot consultation held in Nairobi in June 2022, the African Continental Free Trade Area (AfCFTA) Secretariat and external subject-matter experts provided presentations on the following: (i) the aim and objectives of AfCFTA; (ii) opportunities for women from AfCFTA; (iii) the progress made so far in respect of negotiating the Protocol on Women and Youth in Trade; and (iv) its expected benefits for women in the region.

Public-sector stakeholders were asked to discuss the problems and concerns they are facing in negotiating the AfCFTA Protocol on Women and Youth in Trade and the nature of the resistance they continued to face from their counterparts in other parties. The private sector and their associations were asked to discuss the types of barriers they faced in participating in trade, whether during incorporation of their business, identifying markets and clients, accessing information or credit, accessing banks and trade finance instruments, exporting or importing, or any other area relevant to trading activities. They were also asked to assess whether and how trade agreements can help them overcome one or more of these barriers, and the areas of intervention that may most effectively address those barriers. Observed benefits include an improved understanding of the expected benefits of the AfCFTA, the progress made in the negotiation of the AfCFTA and its protocols, and the potential role of the private sector in process of negotiating the AfCFTA Protocol on Women and Youth in Trade.

Phase 2: experience

Once the barriers are identified, phase 1 concludes with a discussion on the progress made in the given negotiations. The focus in the second phase includes the exchange of experiences between industries and negotiators on a given subject, in line with their concerns and challenges. This phase focuses on four kinds of experiences: the industry experience; the experience from a given trade agreement or negotiation; the practice experience from a particular region; and the global practice experience.

For the industry experience, the findings gathered through questionnaires in the previous phase are presented to the participants of the session. In particular, the focus here lies on the findings pertaining to the barriers that industries face and the policies, strategies and interventions that have worked (or not worked) to address those barriers.

The second element relates to the experience of negotiating the agreement at hand and its relevant provisions, including the possible benefits and risks of the existing provisions to women.

The third element of experience relates to the regional practice experience, wherein subject-matter experts can deliver presentations on the trade agreements that already exist in the region, the relevant provisions included in these agreements relating to trade and gender considerations, how these provisions can achieve their goals, and the gaps that ongoing negotiations can be expected to fill. Participants can also discuss, based on their experience, the level of implementation of these provisions and also use this as a basis to understand the existing level and nature of concurrence between parties.

The fourth element of experience relates to global practice experience, wherein subject-matter experts can deliver presentations on: the trade agreements from other regions that are currently in force, the relevant provisions these agreements contain, how these provisions can support women's empowerment, what the receiving region and its ongoing negotiation efforts can learn from global practice experience, and the remaining gaps that the ongoing regional negotiations can be expected to fill. Any evidence of the effectiveness of given provisions can be shared by experts during this phase (see Box 3).

This phase is useful in many respects. It helps industry representatives articulate the common barriers women in businesses face and the possible solutions based on industry experience; how given provisions can address the identified barriers; and more broadly, how the previous inclusions of gender-related provisions in trade agreements in the region as well as in other regions can help women protect and strengthen their business interests.

It helps trade negotiators gain a number of useful insights including: the barriers and challenges women in the region face in conducting or expanding their businesses; what businesses think about the effectiveness and impacts of trade agreements in general and about the given provisions and associated policies, strategies and interventions more specifically; expectations that businesses have from this ongoing negotiation, from the trade agreement in general and from trade in the region more broadly; and the kinds of provisions or commitments that businesses think would be most effective or beneficial to address the barriers raised, for consideration in the agreement.

Box 3: Nairobi workshop, June 2022: Phase 2

During the African Continental Free Trade Area (AfCFTA) pilot consultations, the session facilitators presented the findings on the most common and leading barriers that women businesses in Africa face in accessing business and market access opportunities. Women entrepreneurs were invited to comment and elaborate on these barriers and the policies they have found useful and less useful, and this helped trade negotiators understand the nature and extent of these barriers that they are expected to address as they negotiate the AfCFTA Protocol on Women and Youth in Trade. For the second stage, experts were invited to present the experience of negotiating AfCFTA Agreement and the negotiations that led to the finalization of this Agreement. In doing so, the focus was given to the relevant provisions already added in the Agreement, relevant provisions which are currently being negotiated, and their benefits for women (and risks if any), in line with the barriers discussed in the previous phase. Third, the participants received presentations from regional experts on the other trade agreements that are negotiated on the African continent, which of these agreements are most vocal about women's interests, the types of gender commitments these agreements have already included, and how such provisions can already help women in the region to overcome the barriers they commonly face. Participants discussed the level of implementation of existing provisions, which added to insights on their effectiveness. External experts shared evidence on other trade agreements negotiated by different regions, which of these agreements are most vocal about women's interests and why, the types of gender commitments these agreements have already included, and how can such provisions help women to overcome the barriers they face in these respective regions.

Phase 3: application

By the final phase, the participants are well equipped to discuss how to apply this experience to current negotiations to overcome the discussed barriers and challenges based on the knowledge of barriers as well as how the current industry, global and regional experiences can possibly address these barriers (or not).

For negotiators at this stage, the focus now turns to what is already known, what can be learned from what has been discussed, and what would work (or not) going forward for the negotiations at hand.

For business representatives, this phase signifies an opportunity to identify the gaps in the ongoing negotiations, define the interests they expect these negotiations to protect and advance, and propose a strategy to ensure that these interests are addressed and considered in the future negotiating efforts (see Box 4).

This final phase is beneficial in multiple ways. It helps industries define their priorities and proposals that they expect the negotiators to consider, updating their expectations on the feasibility of addressing their recommendations in the trade agreement. It also enables negotiators to gain practical inputs in the form of concrete priorities and proposals from the private sector that they can then consider during the ongoing as well as future negotiating efforts. Furthermore, negotiators can identify additional proposals and steps that can help them advance the negotiations in a particular respect, while at the same time ensuring that these steps are aligned with expectations and needs of the private sector in their respective regions (see Box 5).

Box 4: Nairobi workshop, June 2022: Phase 3

During the African Continental Free Trade Area (AfCFTA) pilot consultations, negotiators and public sector stakeholders were invited to ponder upon the issues that had already been identified (or the ones they had decided to identify) for the AfCFTA Protocol on Women and Youth in Trade and the outstanding issues dealt with in other regional agreements. They were then asked to identify the areas or actions that remain missing and are needed to address the barriers, how these additional commitments can help, and in what forms and shape they can be included in the ongoing negotiations. Finally, using a questionnaire, they were invited to define a list of recommendations and assess their suitability, associated risks, and challenges for adoption in the Protocol on Women and Youth in Trade. They then assessed the technical, economic, political, diplomatic and legal challenges the parties may face in adopting these recommendations and drafting provisions in the protocols based on these recommendations.

Business representatives were invited to identify their areas of priority, list the elements that they think are missing from the current negotiating agenda of the Protocol, devise a strategy on how they would like the negotiators to approach the barriers they have discussed in the previous phase, and propose relevant recommendations for negotiators to consider as they define their own negotiating strategy during this final phase. It also became essential to have private-sector stakeholders deliberate on the recommendations that would be appropriate for the level of a trade agreement as distinct from the level of implementation, based on the capacity building they received in the experience phase on global and subregional practice.

Box 5: Lessons learned from the pilot consultation

From this experience, the authors estimate the desired application of the framework to take place over a two to three-day period for each stakeholder group. The sequencing is also important, with the private-sector workshops required to be conducted ahead of those for negotiators. The authors found it valuable for the public sector to be present during the application of the framework with the private sector, as they can share the progress they have made so far on understanding and addressing the challenges of women in trade, are better able to understand the points raised, and can also have a more constructive dialogue on the effectiveness of certain policies in place. Similarly, it is considered desirable for the private sector to directly present the industry experience and their recommendations during the workshop with negotiators.

Limitations of this approach

This framework is an evolving initiative and might undergo revisions in the future with the signing and enforcement of new agreements and as progress is made on the understanding of this topic with the collection of data to better understand the interaction between trade and gender equality. As of now, there are four main limitations of the current framework.

The need to have an organized and informed private sector

An organized private sector is a vital requirement for the establishment and smooth functioning of the proposed partnership arrangement. The significance of an organized private sector is two-fold. First, it facilitates the industry to represent a wide economic interest that can then influence and inform the ongoing negotiations. Second, it enables industry representatives to gather and consolidate the required resources possessed by affected business entities. The industry representatives may require these resources to assess the market conditions and possibilities for market access expansion, the risks and associated challenges, and the impediments that different groups may face in accessing such opportunities (Grossman and Helpman, 2001).[3]

Moreover, a lack of awareness among private sector entities about trade negotiations, the importance of trade agreements, and what these instruments represent for them is a problem that may impede the formation of effective partnership arrangements between government and industry. Unfamiliarity with the possibility of approaching the government for the protection and expansion of their trade interests and the benefits which trade agreements could potentially extend to business communities can be a common characteristic of an unorganized or institutionally underdeveloped industry. Certain private stakeholders in developing countries may even opine that international trade laws and foreign trade policies are there to protect the interests of the government, and hence, the government should be solely responsible for the handling of such matters. Therefore, awareness among the private sector and the appropriate selection of representatives is key for this arrangement to work.

In targeting business associations, this framework intentionally focuses on women's role as entrepreneurs, fostering dialogue between businesses and negotiators to inform trade agreements. If desired, the framework could be adapted to capture inputs from women in their role as employees[4] by engaging further with labour unions, though this has not yet been tested. Notably, the important process of targeting stakeholder groups for participation should be informed by the objectives of the trade agreement at hand.

Floodgates of private expectations

It is similarly challenging to identify private-sector representatives that are focused on women in trade, who are able to articulate concerns at the policy level, and who are sufficiently well-versed to understand the possibilities and limitations of a trade agreement in addressing the challenges faced by women. This may lead to a "wish-list" approach, whereby the private sector can recommend multiple facets of intervention at binding levels of commitment that are not deemed feasible or desirable to incorporate at the level of a trade agreement. Opening such a channel of communication may create an expectation that the public sector will be able to address multiple concerns faced by women through a trade agreement, again emphasizing the need for capacity building to be well-integrated into the application of the framework.

Distinguishing between those recommendations that would be appropriate to agree upon at the level of a trade agreement compared to the level of national implementation becomes important. This step was added to the framework following its piloting and requires both dedicated capacity building and an informed private sector oriented towards policy dialogue. Subsequently, applying the evidence and recommendations to the context of a trade agreement requires the participation of both economic and trade law experts.

Threat of private capture

The trade negotiation partnerships should aim to achieve maximum protection of countries' trade, as well as other non-trade interests. However, it is crucial to avoid a situation where the protection of trade interests or specific business interests of a business group injures the national interests or other non-trade interests of other stakeholders in that country. There may be situations, where an industry can have an economic interest, the protection of which may not be in line with those of other industries or other groups (such as women employees or indigenous communities, or people with disability) or may not be in line with that of the national interest as a whole. The government, in such cases, especially where an industry is closely coordinating and collaborating during the negotiating process and providing relevant information, may find it difficult to reconcile the conflicting interests.[5]

> "A lack of awareness among private sector entities about trade negotiations, the importance of trade agreements, and what these instruments represent for them is a problem that may impede the formation of effective partnership arrangements between government and industry.

This is mainly because public–private partnerships could provide greater opportunities for business entities to engage in rent-seeking activities, thereby protecting their own private interests. When a government official prioritizes resource contributions on a higher scale, a profit-motivated business entity might exploit this opportunity to induce a government action that selectively protects its business interests, even at the cost of broader economic, social or environmental interests. In this manner, public–private dialogue during trade negotiations can possibly lead to a situation of private capture or corporate regulatory capture where government officials can be inclined (for various reasons) to uphold private interests at the cost of national interest. Grossman and Helpman (1994) define corporate regulatory capture as an interplay between special interest groups and government organizations that can influence and shape up a nation's foreign trade policy to the detriment of other broader economic and social concerns.

Insufficient channels of communication, leading to a lack of transparency and confidence

A lack of confidence between government and industry is another factor that can impede the formation of effective networks between the two; this is especially the case between government and women entrepreneurs, as the latter have comparatively limited resources and social capital to approach the former. If government authorities are not proactive in disclosing information about ongoing negotiations, the system will suffer from a lack of transparency and paucity of information exchange. A secrecy-favouring approach by the government and a consequential lack of transparency can act as serious deterrents to the formation of public–private partnership arrangements, as industries might be unwilling to share their trade knowledge and information with government entities that might act covertly in relation to such matters. Consequentially, the resulting lack of information will possibly constrain the government's ability to analyse, consider and incorporate the overall business, national and international perspectives that are needed to be assessed for any given trade negotiation. Smooth conduct of trade negotiation procedures requires a relationship of confidence and trust between a country's government and industry, and this can mainly be possible if there are open channels of communication and a smooth exchange of information between the two parties.

Conclusion

The proposed PXA Framework provides a novel methodology for fostering public–private dialogue in the context of integrating gender considerations in the negotiation and implementation of trade agreements. The authors highlight the need for a structured dialogue between the public and private sectors, particularly in light of the increasing inclusion of gender equality and women's economic empowerment concerns in trade negotiations. The chapter argues that such a dialogue can help to bridge the gap between the policy and private sectors and overcome the capacity gap in trade negotiations, particularly in developing countries. The pilot workshop demonstrates the practical application of the framework and provides insights into effective implementation and how the methodology can be applied more widely in ongoing and future trade negotiations.

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Endnotes

1. Some of these leading works include Baldwin (1984), Fontana (2009), Fontana and Paciello (2010), Levinsohn (1999), Melanson (2005), Oostendorp (2009), Quintero-Ramírez (2002), Reeves and Baden (2000), Sauré and Zoabi (2014), Van Staveren *et al.* (2007) and Wood (1991).
2. The Framework was piloted in Nairobi in June 2022 in the context of informing the negotiations of the upcoming AfCFTA Protocol on Women and Youth in Trade with public and private-sector representatives from Kenya and the East African region (see Box 1 for more details).
3. Grossman and Helpman (2001) state that "an organised group can take advantage of the economies of scale by researching issues centrally and educating its rank-and-file members. The groups also may use the information they gather to win over policymakers".
4. This is in response to feedback from experts during a review of the framework during the WTO Public Forum who may wish to employ the framework to inform the inclusion of provisions relating to women as employees in trade agreements.
5. Interview with an official, Ministry of Economy, Mexico. See also Shaffer *et al.* (2008).

Abbreviations

AfCFTA	African Continental Free Trade Area
AI	artificial intelligence
AMU	Arab Maghreb Union
APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
ASYCUDA	Automated System for Customs Data
CCFTA	Canada–Chile Free Trade Agreement
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
CEN-SAD	Community of Sahel-Saharan States
COMESA	Common Market for Eastern and Southern Africa
CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership
EAC	East African Community
ECCAS	Economic Community of Central African States
ECOTECH	economic and technical cooperation
ECOWAS	Economic Community of West African States
FAO	Food and Agriculture Organization of the United Nations
FDI	foreign direct investment
FTA	free trade agreement
GDLD	Gender Disaggregated Labor Database
GII	gender inequality index
GTAP	Center for Global Trade Analysis
GTM	Global Trade Model
ICT	information and communication technologies
IFOAM	International Federation of Organic Agriculture Movements
IGAD	Intergovernmental Authority on Development
ILO	International Labour Organization
ITC	International Trade Centre
LDC	least-developed country
MC12	12th WTO Ministerial Conference
Mercosur	Southern Common Market
NTB	non-tariff barrier
NTM	non-tariff measure
OECD	Organisation for Economic Co-operation and Development

OxCGRT	Oxford COVID-19 Government Response Tracker
PAPSS	Pan-African Payment and Settlement System
PPWE	Policy Partnership on Women and the Economy
RTA	regional trade agreement
REC	regional economic community
RISDP	Regional Indicative Strategic Development Plan
RVC	regional value chain
SADC	Southern African Development Community
SADC FTA	SADC Free Trade Area
SCE	Steering Committee on Economic and Technical Cooperation
SDG	Sustainable Development Goal
SME	small and medium-sized enterprise
SPS	sanitary and phytosanitary
STEM	science, technology, engineering and mathematics
STR	Simplified Trade Regime
STRI	Services Trade Restrictiveness Index
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
USMCA	United States–Mexico–Canada Agreement
VSS	voluntary sustainability standards
YoY	year-on-year

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In December 2022, the Gender Research Hub organized, alongside the WTO, the World Trade Congress on Gender – the first international research conference to focus on trade and gender. This high-level event brought together eminent trade and gender experts to present the latest research in the field. It also provided a platform for researchers and policymakers to exchange views and build partnerships to promote further innovative research. This publication builds on many of the research papers presented by trade and gender researchers at the Congress.

The research presented at the Congress and in this publication reaffirms key gender principles and provides evidence that women face higher barriers than men when seeking to access opportunities created by trade. It also shows that trade policy can help women overcome obstacles. In addition, the research reaffirms the importance of making trade inclusive and demonstrates that making trade policies more responsive to gender issues improves gender equality in trade, supports poverty reduction and fosters sustainable growth.