

SDG 5: Gender Equality

Trade, the WTO and their contribution to achieving SDG 5 and gender equality

Trade plays an integral role in driving economic growth, job creation and the reduction of poverty, as outlined in the United Nations Sustainable Development Goals (SDGs). Among these goals, SDG 5, which focuses on achieving gender equality and empowering all women and girls, stands out as both a critical objective and a vital enabler for attaining broader development outcomes. The WTO has increasingly recognized the importance of women's economic empowerment in the context of global trade and its potential to unlock economic opportunities. Through targeted policy measures, research and global partnerships, the WTO is working to ensure that women are not left behind in the pursuit of sustainable and inclusive growth.

The relationship between trade and gender is multidimensional. Women contribute significantly to the global economy, yet persistent gender gaps in employment, income and access to economic resources continue to hinder their full participation in trade. Despite the fact that firms engaged in international trade tend to employ more women, women remain less likely than men to engage in cross-border trade or run export-focused businesses. This disparity is exacerbated by structural barriers such as limited access to finance, gender-based social norms, lack of training opportunities and unequal distribution of unpaid care work. Addressing these barriers through gender-responsive trade policies can help unlock women's full potential as key drivers of economic growth and trade expansion.

Recent analysis by the World Bank underscores the importance of closing gender gaps in employment, estimating that doing so could raise per capita GDP by as much as 20 per cent globally and even higher in regions such as the Middle East, North Africa and South Asia (World Bank, 2022). As a result, the WTO has made substantial strides in advancing its gender-inclusive agenda, particularly with the creation of initiatives aimed at fostering women's economic empowerment through trade, thus contributing to the realization of SDG 5.

Women's increased participation in export-oriented sectors and global value chains is not only a path to greater economic independence but also a means of reducing poverty and enhancing community resilience. Research shows that women in trade-related sectors often benefit from higher wages, better job security

and greater access to formal employment compared to those in non-trading sectors. Moreover, trade in services, such as tourism and digital technologies, presents significant opportunities for women, especially in developing countries, where women often lead businesses in these areas.

However, to ensure that trade can deliver on its promise, more targeted efforts are needed. This includes ensuring women's access to the benefits of international trade, promoting equal pay, enhancing access to training and skills development, and addressing the digital divide. The WTO's efforts, through the establishment of the Informal Working Group on Trade and Gender (IWG) and research initiatives, represent a critical step in ensuring that trade policy is both inclusive and supportive of women's economic empowerment.

The achievement of SDG 5 is not only about narrowing gender gaps in trade but also about ensuring that trade becomes a tool for advancing broader gender equality objectives. The WTO's efforts to mainstream gender in trade policy, enhance data collection and build capacity among governments are critical steps towards ensuring that women can fully participate in and benefit from global trade. Beyond further advancing SDG 5, it also fosters a more inclusive, sustainable and resilient global economy.

Informal Working Group on Trade and Gender (IWG)

The IWG plays a significant role in contributing to the achievement of SDG 5. The IWG's focus on creating an inclusive, gender-responsive trade system directly impacts SDG 5 by addressing barriers to women's participation in global trade, fostering policies that promote women's economic empowerment and enhances trading opportunities for them.

One of the IWG's most vital contributions to SDG 5 is through its emphasis on removing trade-related barriers to women's participation in trade. The Working Group's Work Plan is specifically designed to enhance women's engagement in global trade by identifying and overcoming obstacles such as access to finance, legal challenges and limited participation in international trade networks. Through workshops and technical work, such as those led by the IWG at the WTO Ministerial Conferences, the group actively pushes for gender-responsive trade policies, which promote equitable economic participation for women.

The IWG's efforts to apply a "gender lens" to WTO policies is another key element in its contribution to SDG 5. By integrating gender considerations into trade policy, the IWG ensures that women's needs and contributions are acknowledged in international trade agreements, laws and regulations. For example, the "Developing a gender-lens framework for the WTO" workshops, which took place in 2022 and which focused on areas such as government procurement and e-commerce, highlighted the importance of ensuring that these sectors are inclusive of women, allowing them to benefit from emerging global trade opportunities. These initiatives are not only about raising awareness but also about fostering concrete changes in trade practices that actively empower women.

Furthermore, the IWG's work on promoting financial inclusion for women entrepreneurs, particularly through tools such as the Compendium of Financial Inclusion Initiatives, directly supports SDG 5 by enhancing access to financing and market opportunities for women-led businesses. Initiatives, such as the Khadijah Women Entrepreneurship Program under Pakistan Single Window (PSW), and the She Exports to Africa (Ella Exporta a África) programme LED by the International Trade Centre (ITC) in Colombia, demonstrate the tangible impact of gender-sensitive trade policies on women's economic empowerment. The recognition of these programmes through the International Prize for Gender Equality in Trade, launched by the IWG in 2024, also incentivizes other nations to adopt similar policies, thereby creating a ripple effect that encourages broader global engagement with women's economic empowerment in trade.

Additionally, the IWG's technical work on gender-responsive trade policy has facilitated increased international cooperation and knowledge exchange. By collaborating with other international organizations such as UN Trade and Development, the World Bank, and the Convention on the Elimination of Discrimination against Women, the IWG strengthens the global network of gender-focused initiatives and ensures that the empowerment of women is integrated into global trade strategies. Joint workshops and capacity-building efforts, including those focusing on female entrepreneurship and intellectual property rights, further promote a holistic approach to create opportunities for women and allow them to better participate in, and benefit from, the global economy.

The WEIDE Fund and Partenariat pour le Coton

The Women Exporters in the Digital Economy (WEIDE) Fund drives progress on women's economic empowerment. By supporting women entrepreneurs in international trade, the Fund promotes women's full participation and leadership in economic life, addressing persistent gender gaps in business ownership and export participation. The initiative improves women's access to grants and financial support, helping ensure their equal rights to economic resources and financial services – areas where women have historically faced significant barriers.

Through its focus on digital skills development, the WEIDE Fund enables women entrepreneurs to harness the power of technology for business growth and market expansion, directly supporting women's empowerment in the digital economy. This comprehensive approach recognizes that accomplishing desired objectives in trade requires addressing multiple, interconnected barriers simultaneously, from access to finance and markets to skills development and networking opportunities.

Strategic partnerships with local business support organizations have been initiated to implement tailored programmes that address context-specific challenges and opportunities. With an established goal to empower 400 women entrepreneurs in the first phase, the Fund's initial focus on business plan competitions demonstrates its innovative approach to identifying and supporting women with the potential to succeed in international markets.

The Fund's holistic approach, combining financial support with technical assistance and market access facilitation, creates a comprehensive support package that addresses multiple barriers simultaneously, recognizing the interconnected nature of challenges facing women entrepreneurs. Throughout implementation, collecting and analyzing data on women's participation in trade has informed more effective policy interventions and programme designs, highlighting the importance of evidence-based approaches to advancing women's participation in international trade.

Similar to the WEIDE Fund, the joint WTO-FIFA (International Federation of Association Football) "Partenariat pour le Coton" (the Cotton Partnership) initiative incorporates a strong gender dimension in its approach to value chain development in alignment with SDG 5. As highlighted at the "Making Trade Score for Women" event held at the WTO on 1 May 2024, the initiative aims to connect the economic opportunities from the global football economy to women's economic empowerment, particularly in African cotton-producing countries.

The Partenariat pour le Coton initiative makes substantial contributions across the sustainable development agenda, particularly in areas related to economic growth, industrialization and equality. With the potential to create 500,000 direct jobs, especially for women and young people, the initiative significantly contributes to employment generation and economic growth in African cotton-producing countries (SDG 8), addressing critical employment challenges in regions with high youth unemployment.¹¹ By supporting the development of textile and garment manufacturing sectors and industrial parks, the initiative promotes industrialization and infrastructure development (SDG 9), helping countries diversify their economies beyond raw material production.

By focusing on sectors within the textile and garment value chain where women traditionally have strong participation, such as garment production, the initiative creates pathways for women's increased economic participation and income generation. The initiative also addresses gender-specific barriers in accessing training, finance and market opportunities, ensuring that women can fully benefit from value chain transformation.

As WTO Director-General Ngozi Okonjo-Iweala noted, "We can and must do more to connect women to new markets and to remunerative opportunities in high value goods and services."

Trade and gender-related provisions in regional trade agreements

The integration of gender provisions in regional trade agreements (RTAs) and free trade agreements (FTAs), which focus on eliminating systemic barriers to women's participation in trade and economic activities, plays a significant role in advancing SDG 5. The number of RTAs incorporating gender provisions has increased significantly over the past two decades, reflecting a growing recognition of the role trade policies play in women's economic empowerment.

RTAs increasingly incorporate gender-related provisions that address a wide range of issues affecting women's participation in economic, social, political and cultural spheres. Based on the WTO Database on Gender Provisions in RTAs¹², these provisions can be categorized into five main areas (as of September 2022) (WTO, 2022):

1. Gender inequality issues (83 RTAs, 214 provisions):

Gender equality and non-discrimination provisions represent the most common type of gender-related content in RTAs. While some agreements broadly promote gender equality as a core objective (notably in intra-African agreements and EU treaties), most address specific forms of discrimination against women, such as employment discrimination, wage gaps and unequal access to resources and opportunities.

2. Women's economic participation (92 RTAs, 197 provisions):

RTAs increasingly recognize and promote women's role in economic development through:

- Workforce participation (62 RTAs, 120 provisions): Addressing equal treatment in employment, tackling the gender pay gap, promoting decent work conditions, and more recently, eliminating discrimination based on pregnancy and caregiving responsibilities.
- Business participation (31 RTAs, 65 provisions): Supporting women entrepreneurs and women-owned businesses, promoting participation in specific sectors (fisheries, services), creating opportunities in digital trade, public procurement and value chains, and addressing barriers such as discriminatory laws and limited access to credit.

3. Social issues (65 RTAs, 109 provisions):

Gender provisions also address social aspects of women's lives:

- Education (41 RTAs, 52 provisions): Promoting access to education, vocational training, financial education and more recently, participation in science, technology, engineering and mathematics fields.
- Safety (20 RTAs, 29 provisions): Addressing gender-based violence, domestic abuse, sexual harassment, human trafficking and safety in conflict zones.
- Family-related issues (29 RTAs, 36 provisions): Protecting pregnant women and supporting work-family balance.
- Social inclusion (13 RTAs, 13 provisions): Supporting vulnerable women's economic participation.
- Health and food security (8 RTAs, 10 provisions): Targeting workplace health practices and access to health services.

4. Representation in decision-making (19 RTAs, 20 provisions):

These provisions promote women's equal access to decision-making positions in both public and private sectors, as well as participation in political processes.

5. Cultural participation (9 RTAs, 10 provisions):

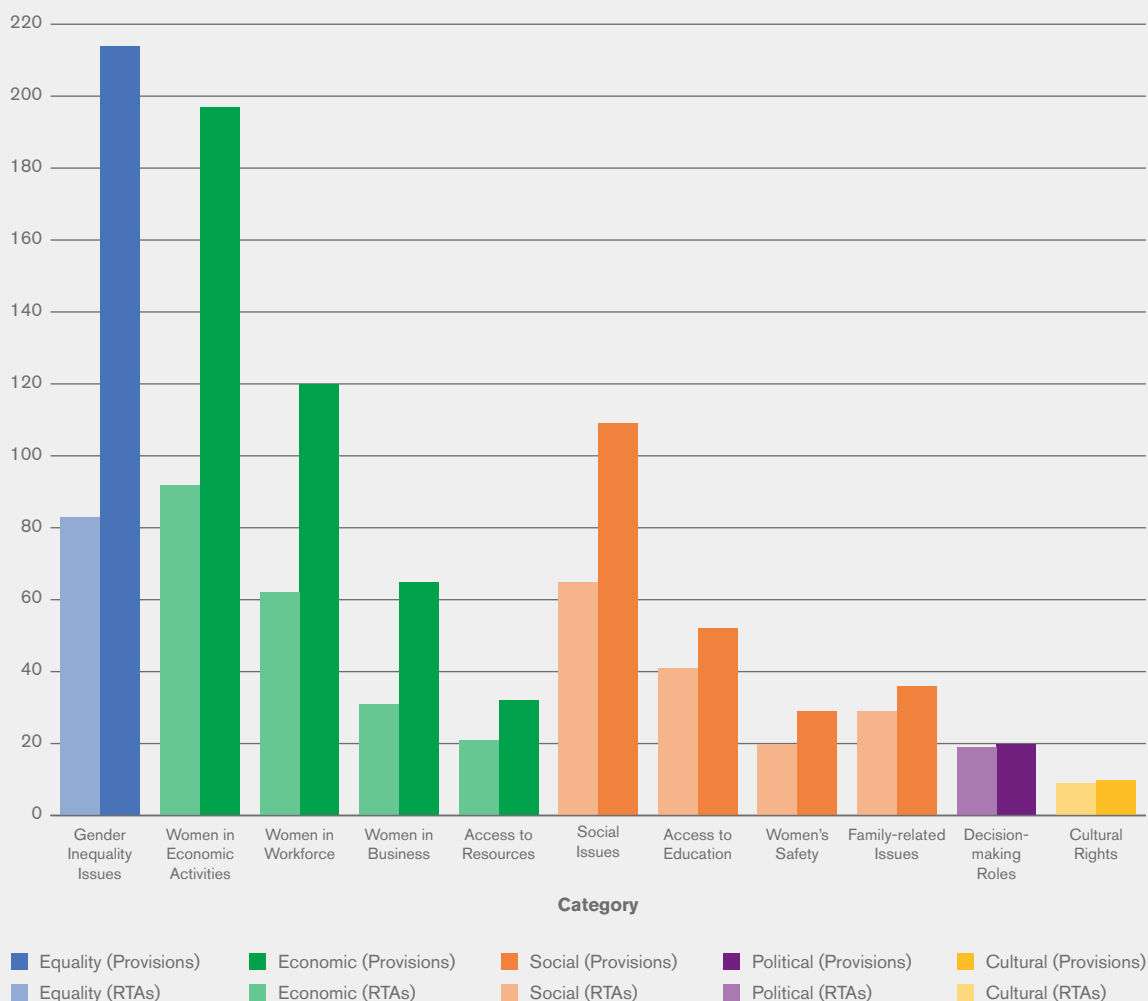
A small number of RTAs recognize women's role in cultural life and protect cultural rights, often with specific attention to indigenous women.

The evolution of gender provisions in RTAs demonstrates an increasing recognition of the diverse challenges facing women across multiple dimensions, moving beyond simple non-discrimination clauses to more comprehensive approaches that address structural barriers.

However, despite the increasing inclusion of gender provisions in RTAs, many of these provisions have certain shortcomings and limitations which may impede the full realization of their objectives:

- Non-binding language: Many gender provisions are formulated as recommendations rather than enforceable commitments.
- Exclusion from dispute settlement mechanisms: Gender-related provisions are often excluded from RTAs' dispute settlement mechanisms, limiting enforcement.
- Limited resource mobilization: Few RTAs provide concrete financial commitments to support gender equality initiatives.

Figure 5: Number of RTAs and provisions by category



Source: Source: WTO analysis from the database on gender provisions in RTAs, https://www.wto.org/english/tratop_e/womenandtrade_e/gender_responsive_trade_agreement_db_e.htm.

Access to finance for women-led micro, small and medium-sized enterprises (MSMEs)

Financial inclusion is key to advancing progress under SDG 5. The International Finance Corporation (IFC) estimates the global financing gap for women-owned MSMEs stands at approximately US\$ 1.7 trillion, representing about one third of the total global MSME financing gap of US\$ 5.2 trillion. This striking disparity highlights why targeted financial inclusion initiatives for women entrepreneurs are crucial – they address a significant portion of the overall financing challenge while working towards desired goals. Access to finance for women-led MSMEs breaks down economic barriers and promotes women's empowerment in and through entrepreneurship.

The WTO's Compendium of Financial Inclusion Initiatives for Women Entrepreneurs serves as a resource for policymakers fostering inclusive trade. Launched at the 13th Ministerial Conference in February 2024 by the IWG and the MSMEs Working Group, this database consolidates programmes providing financial access to women-led businesses. This analysis examines financial inclusion initiatives across economies and organizations, demonstrating their contribution to the achievement of SDG 5.

One of the most direct contributions of financial inclusion initiatives to SDG 5 is their focus on SDG Target 5.a: equal rights to economic resources. Many financial programmes specifically address the unique barriers women face in accessing capital, such as limited collateral or lack of financial history. For example, Argentina's "Reciprocal Guarantee Company" (or SGR) scheme has granted guarantees to over 21,000 MSMEs, including those led by women. This initiative ensures that women entrepreneurs can access credit on favourable terms, helping them overcome traditional financial constraints. Similarly, India's "Stand-Up India" scheme offers loans to women-led businesses without the need for traditional collateral, effectively reducing barriers to finance and promoting economic equality.

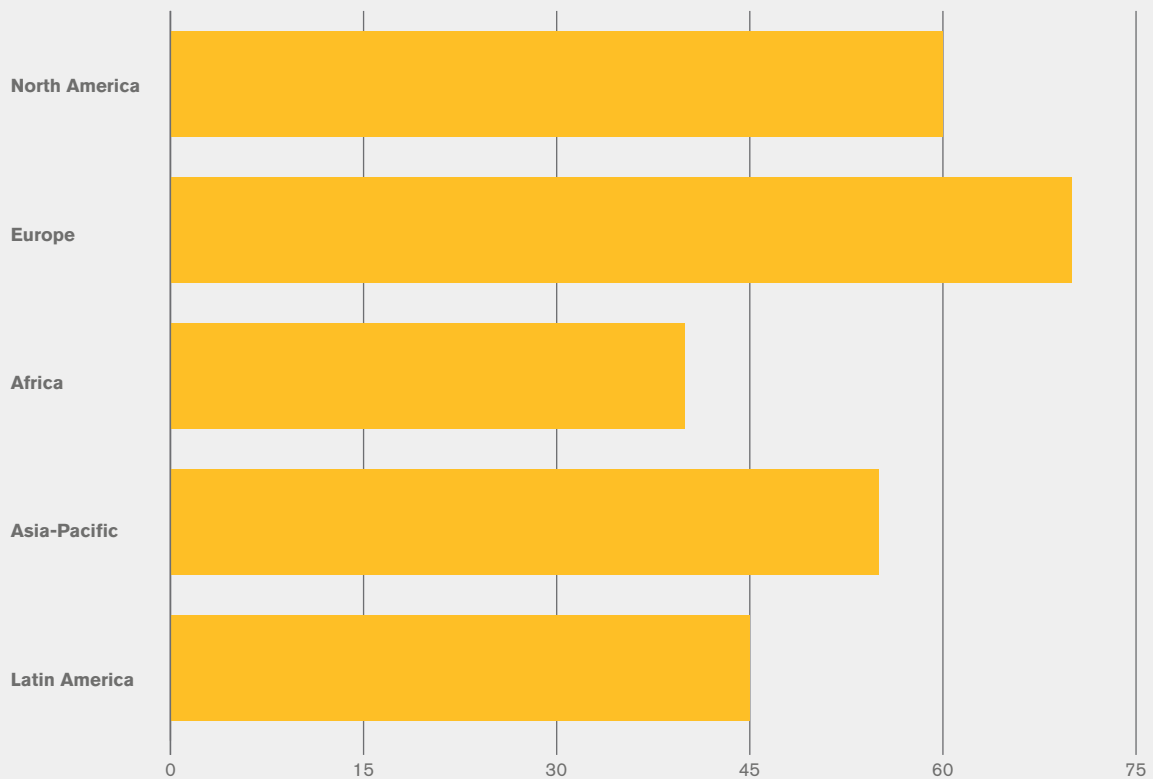
Another important area of focus is Target 5.c: policies and legislation for gender equality, where various initiatives are reshaping financial policies to be more inclusive. Australia's "Investing in Women" project, for instance, strengthens access to finance for women entrepreneurs in Indonesia, the Philippines and Viet Nam by promoting gender-responsive policies and partnerships with impact investors. Similarly, the European Investment Bank's gender smart investment policy ensures that investment projects prioritize women-led businesses and incorporate gender sensitive considerations into their design, demonstrating a strong commitment to policy reforms that promote financial inclusion for women.

SDG Target 5.5: women's leadership and decision-making, also aligns closely with the goals of many financial inclusion programmes which are designed to support women in leadership roles. Barbados's national policy framework for the development of MSMEs specifically targets the needs of women entrepreneurs in leadership roles by mitigating bureaucratic barriers to accessing finance. This initiative not only facilitates business growth but also creates opportunities for women to assume leadership positions, thereby promoting gender parity in decision-making and entrepreneurial leadership.

Innovative approaches, such as digital solutions, are also playing a critical role in overcoming barriers to financial access. Colombia's "Fondo para el financiamiento del sector agropecuario" (FINAGRO) uses digital platforms to reach rural women entrepreneurs, a group often excluded from traditional financial services. This approach reflects the growing recognition that technology can reduce the gender financing gap, particularly for women in underserved regions.

Digital financial solutions, such as mobile banking and online lending platforms, are increasingly being used to bridge financial access gaps for women entrepreneurs. The highest adoption of digital financial inclusion initiatives is observed in Europe (70 per cent), followed by North America (60 per cent) and Asia-Pacific (55 per cent).

Figure 6: Digital financial inclusion initiatives for women entrepreneurs (percentage)



Source: WTO analysis from the Compendium of Financial Inclusion Initiatives for Women Entrepreneurs, https://www.wto.org/english/tratop_e/womenandtrade_e/financial_inclusion_initiatives_e.htm.

Financial literacy and capacity building are essential components of many initiatives, contributing to Target 5.b: the use of enabling technology to promote women's empowerment, and Target 5.c: strengthen policies and legislation to promote gender equality. Australia's Aid for Trade programmes, for example, offer training and mentorship in financial management and business development, equipping women entrepreneurs in the Pacific region with the skills necessary to succeed in global markets. By addressing knowledge gaps, these programmes not only empower women with the tools to make informed financial decisions but also increase their competitiveness in the global economy.

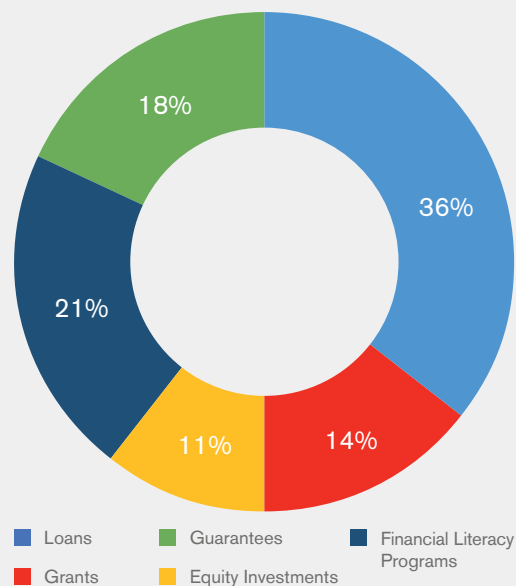
Furthermore, grants and subsidies remain pivotal in lowering the entry barriers for women-led businesses. Australia's "Boosting Female Founders" programme and Canada's "Women Entrepreneurship Strategy" (WES) provide targeted financial support to female-led startups, enabling women entrepreneurs to scale their businesses and access resources that would otherwise be out of reach. These programmes ensure that women have equitable opportunities to secure the funding needed for business expansion and innovation.

The chart below illustrates the diverse financial support mechanisms available to women entrepreneurs across various initiatives. This visualization highlights the distribution of different financial instruments and approaches used to enhance women's access to capital and financial resources.

Financial inclusion initiatives for women-led MSMEs are making significant contributions to the achievement of SDG 5 and address the unique challenges faced by women entrepreneurs, such as access to finance, policy support and leadership opportunities.

Whilst these initiatives are driving economic growth, it is essential however, that for sustained growth, governments and financial institutions must continue to refine policies, expand outreach and strengthen support mechanisms for women entrepreneurs globally. The successful integration of gender-responsive financing in trade and financial agreements will further ensure equitable growth and opportunity for women in entrepreneurship and global trade.

Figure 7: Types of financial support provided to women entrepreneurs



Source: WTO analysis from the Compendium of Financial Inclusion Initiatives for Women Entrepreneurs, https://www.wto.org/english/tratop_e/womenandtrade_e/financial_inclusion_initiatives_e.htm.