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**World Trade Organization**

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**TRADE POLICIES SUPPORTING WOMEN'S ECONOMIC EMPOWERMENT:  
TRENDS IN WTO MEMBERS**

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*Manuscript date: 25 April 2019*

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# Trade Policies Supporting Women's Economic Empowerment: Trends in WTO Members

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## Abstract

This paper looks at the various trade policies WTO Members have put into place to foster women's economic empowerment. The analysis below is based on the information provided by WTO Members as part of their Trade Policy Review (TPRs) process from 2014 to 2018. Reports from the WTO Secretariat, governments as well as the question and answer sessions were examined for the purpose of this paper.<sup>1</sup>

In the last 4 years, the trade policies of 111 WTO Members were under review. About 70% of them have reported at least one trade policy targeting women's economic empowerment. Overall, in four years, almost half of the WTO membership has implemented trade policies in support of women (at least one).

Most (about 70%) of the WTO Members<sup>2</sup> under review have integrated women's empowerment in their national or regional trade strategy.

They focused their policy activity to three main areas or sectors:

- Financial and non-financial incentives to the private sector and women owned/led Micro, Small and Medium Enterprises (MSMEs): 30% of members<sup>3</sup> have focused their trade policies in support of women owned/led companies.
- Agriculture and fishery: 15.5 % of members<sup>4</sup> under review have included policies in relations with agriculture and fisheries in support of women's empowerment.
- Government procurement: 9% of members<sup>5</sup> under review have included policies in relations with government procurement in support of women's empowerment.

**Keywords:** Gender, international trade, women's economic empowerment, trade policy, WTO, international trade rules, Aid for Trade.

**JEL Classification numbers:** F1 (F13 and F19), O1 (O19), Z0

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<sup>1</sup> This section merely reports on the policies mentioned in WTO Members TPRs and does not provide an interpretation on whether those policies are in conformity with WTO rules. It simply provides examples of trade policies as reported by WTO members themselves. The level of detail on the information provided can vary from one report to another. This explains some of the discrepancy in the details of the measures described in this paper.

<sup>2</sup> Out of the 77 members that included trade policies supporting women's empowerment

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> Ibid

## 1. Introduction

This paper looks at the various trade policies WTO Members have put into place to foster women's economic empowerment. The analysis below is based on the information provided by WTO Members as part of their Trade Policy Review (TPRs) process from 2014 to 2018. Reports from the WTO Secretariat, governments as well as the question and answer sessions were examined for the purpose of this paper<sup>6</sup>.

In the last 4 years, the trade policies of 111 WTO Members were under review. About 70% of them have reported at least one trade policy targeting women's economic empowerment (see Table 1 below). Overall, in four years, almost half of the WTO membership has implemented trade policies in support of women (at least one).

Year	Number of WTO Members under review	Number WTO Members under review that included trade policies supporting women's empowerment
2014	22	10
2015	24	20
2016	23	21
2017	23	18
2018	19	8
<b>TOTAL</b>	<b>111</b>	<b>77</b>

Most (about 70%) of the WTO Members<sup>7</sup> under review have integrated women's empowerment in their national or regional trade strategy.

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- Financial and non-financial incentives to the private sector and women owned/led Micro, Small and Medium Enterprises (MSMEs): 30% of members<sup>8</sup> have focused their trade policies in support of women owned/led companies.
- Agriculture and fishery: 15.5 % of members<sup>9</sup> under review have included policies in relations with agriculture and fisheries in support of women's empowerment.
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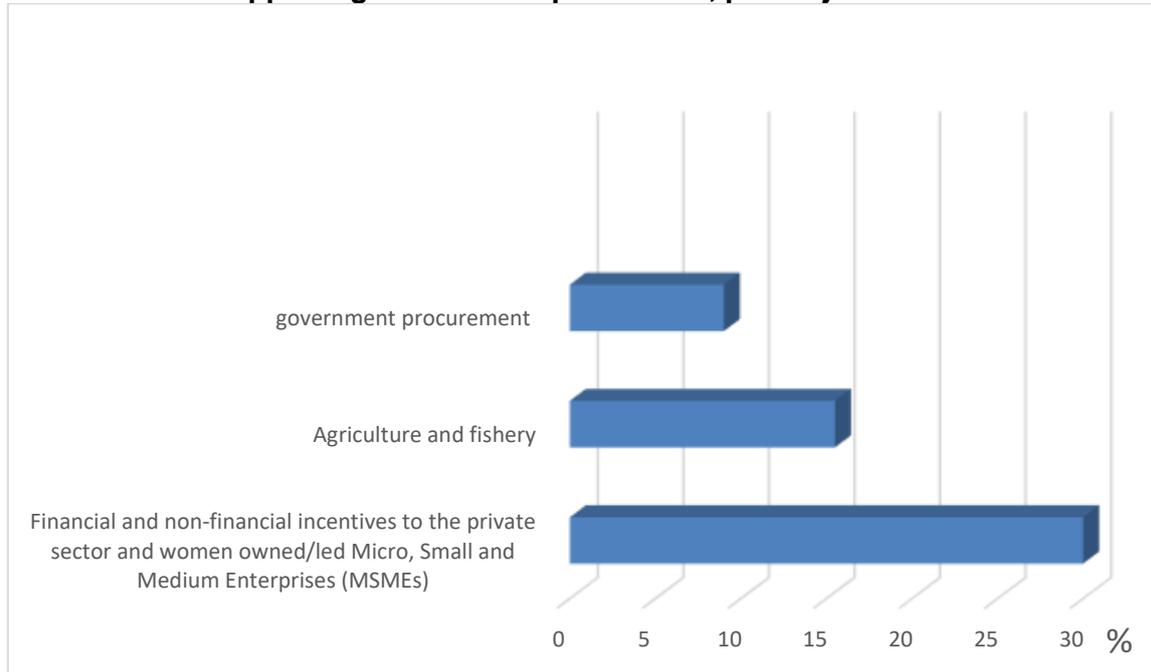
<sup>7</sup> Out of the 77 members that included trade policies supporting women's empowerment

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

<sup>10</sup> Ibid.

**Figure1: Percentage of WTO Members<sup>11</sup> under review that included trade policies supporting women's empowerment, per major sector**



(Source: Author, adapted from information contained in WTO Members trade policy reports)

Overall, about 30 different trade measures and policies in 12 sectors or topics have been identified and listed in Table 2 below.

<b>Table 2: Most commonly used trade policies by sectors or topics in support of women empowerment</b>	
<b>Sector or topic</b>	<b>Type of trade measures and policies</b>
Trade strategy	1. Gender equality objective
Government Procurement	2. Quota or preference in favor of women entrepreneurs
	3. Quota with targeted sectoral objective (rural economic development)
	4. Preference in contract allocation to companies that implement gender equality policies
	5. Preference in contract allocation to companies that implement wage equality policies
	6. Laws prohibiting discrimination based on gender when allocating contracts
	Agriculture
8. Training of women farmers (using green box subsidies)	
9. Sanitary and Phyto Sanitary (SPS) skills development to access international markets	
10. Food security and food aid provisions (internal measures)	
11. Input subsidy for poor women farmers in developing countries	
12. Funds for financing or supporting women in the agricultural sector	

<sup>11</sup> Out of the 77 members that included trade policies supporting women's empowerment



<b>Table 2 (con't): Most commonly used trade policies by sectors or topics in support of women empowerment</b>	
<b>Sector or topic</b>	<b>Type of trade measures and policies</b>
Measures affecting production and trade - support to business	13. Financial incentives to the private sector to hire women
	14. Financial support and incentives to women lead MSMEs
	15. Incentives to promote women's economic empowerment in the export sector
Measures directly affecting imports and export – licensing procedures and requirements	16. Simplified business license procedures for women entrepreneurs
	17. Gender composition of companies' when applying for a business license.
Services	18. Market access opening (mode 4), in social services to support women's integration in the workforce
	19. General non-discrimination principle providing equal market access opportunities (mode 4) for foreign workers/employees regardless of gender
Institutions and decision making	20. Involvement of ministries and governmental agencies responsible for gender equality in trade policy formulation and implementation
Standards and technical regulations	21. government body promoting gender equality conducting conformity assessments compliance with technical regulations
	22. Standards regulating gender equality
Aid for Trade	23. trade capacity building and aid for trade programmes for women entrepreneurs in developing countries
Bilateral free trade agreements	24. Gender provisions in various chapters (labor, discrimination prevention, etc.)
Data collection	25. On women's participation in the economy
	26. On gender distribution of beneficiaries to WTO Technical Assistance
Other policies fostering trade's impact on women	27. Flexible labor laws favoring women's work in free economic zone
	28. Legislation requiring gender balanced boards of state-owned enterprises
	29. Back to work training programmes for women to work in export sector (labor market adjustment)
	30. Obligation for companies to ensure and evaluate the active participation of their female employees

## **2. Women's empowerment is a key objective of WTO Members' trade policy**

*Women's economic empowerment is very high on the governments' development and trade agendas.*

WTO members have been focusing their national trade, economic and development strategies on integrating and enhancing women's participation into their workforce. Some have explicitly acknowledged that closing the gender gap is especially important because of its correlation with per capita income, growth, development and poverty reduction. Some strategies also aim at promoting female employment and access to male dominated economic sectors. A few trade strategies also mention that mainstreaming gender is a primary objective.



While most members establish wide and general gender objectives in their trade policies, some can also be very specific, depending on the economic situation of the country. Some policies refer to the reduction of the percentage of women leaving the workforce for child birth; others to the improvement of women working environment or the increase of women in leadership positions.

One member has also integrated gender in its national investment plan to give women increased economic opportunities in the industry and the services sectors encourage.

#### *Enhancing women entrepreneurs' presence in export markets*

Some members have included specific trade objectives targeting women. Some address low skills in trade and limited access to market opportunities for women entrepreneurs. Others focus on "developing strategic trade policy frameworks with the goal of enhancing the role of women entrepreneurs in exports".

#### *Members have also set gender objectives in key trade sectors*

Gender has been identified as a key objective of Members' agriculture, fisheries, tourism, ICT and finance strategies and action plans. Most of those policies focus on expanding women's participation in economic development through the growth of those particular sectors, which are also export sectors. One government gave high priority to the "development of the tourism, fisheries and the agriculture sector because of their pro-poor and women empowerment effects".

#### *Women empowerment is an objective in national industrial, entrepreneurship and MSMEs policies and strategies*

Priority is often given to women in national entrepreneurship strategies and in support policies for MSMEs. Strategies also link greater gender opportunities with private sector development.

#### *Gender objectives in international trade forum and regional trade strategies*

Members reported that gender equality objectives are part of their discussions in international forum (Leaders' Summit, etc) and are considered as deliverables in their regional trade plans and regional integration initiatives. Some regional strategies also focus their gender equality objectives on key trade sectors such as services and on expanding women's skills in this area.

### **3. Most members have introduced trade and agriculture policies using various WTO instruments for the benefit of women farmers**

Members have mentioned five different types of policies in agriculture in support of women's economic empower.

#### *Input subsidies to poor farmers in developing countries*

Some policies in developing countries allow for women farmers to receive input subsidies. For example, as an emergency measure, women can receive bags of fertilizer.

#### *Food security and food aid internal measures*

Food security policies are also used by members to support women. Through those policies, governments supply food at subsidized prices and they specifically include nutrition support for pregnant women and lactating mothers. Also, members have used green box support to set up food aid programmes especially targeting women (special supplemental nutrition programmes).



### *Training programmes for women farmers and fisherwomen or on gender issues in agriculture*

Another way WTO Members have used agricultural domestic support measures (green box) to support women is by creating technical assistance and training programmes for small producers in agriculture that include gender-related matters or for women farmers with the objective of increasing productivity and production. Members have also set up other agricultural support programmes for training and educating women in rural areas with the objective of territorial development.

In some countries, agriculture policies provide technical assistance to women involved in agri-food export and fisheries sectors with the aim of enhancing their technical and organizational skills to comply with Sanitary and Phyto Sanitary (SPS) requirements.

### *Funds for financing or supporting women in the agricultural sector*

Some countries have set up facilities for low-income rural women providing them with loans at discounted interests rates and including a grace period. The policy also encourages financial institutions to grant loans to those female farmers.

Support programmes also exists in the fishery sector to promote women's rights in small scale fisheries sector and to fund projects seeking to strengthen the role of fisherwomen in fishing-related areas. Those support are usually granted through competition. One country has created a specific financial support scheme for women in agriculture and supporting productivity for women in agri-food business. Direct transfers to women producers are made for the purpose of investing in human capital, capital goods and technology, improving risk management and promoting national products in new foreign markets. The programme offers guarantees for up to 100% of the amount of loans obtained from commercial banks.

## **4. Government procurement policies on gender: from preference setting to wage equality requirements**

Out of the seven Members that reported on mainstreaming gender into their government procurement polices, three are Parties to the WTO Government Procurement Agreement.

Countries mostly use their government procurement policies as an instrument of economic policy for promoting MSMEs and to foster women entrepreneurs' participation in the economy. Most governments introduce preference schemes for women owned small businesses. The quota allocation is often around 20%. Some of these quota policies focus only on local procurement to facilitate economic development of rural areas and targeting rural women. Other countries have a different approach.

Some have developed specific provisions in government procurement laws to generally prohibit discrimination based on gender when allocating contracts; others give preference to companies that implement gender equality or wage equality policies.

One country is combining both options: while introducing quotas for women owned companies, the government awards "points" to companies applying gender equality policies and practices.



**Box 1: The example of Switzerland's procurement policy in support of women's equal pay.**

Government procurement represents 10% of Switzerland's GDP and ¼ of its expenditure. The Swiss Government has set up a procurement policy giving preference, in the allocating its government contracts, to companies that respect equal pay. For this purpose, Switzerland created a free tool to evaluate companies' equal pay policies. This tool, called Logib, requires companies to provide information such as the salaries and the gender of their employees. This applies to bidders with 50 employees or more and the data should not be older than 36 months.

In addition, the Federal Office of Gender Equality (FOGE) conducts independent investigations to verify whether the companies are complying with equal pay requirements. If wage discrimination is identified in a company, the tender can be revoked, or a penalty can be dispensed.

In 2018, the government conducted 104 controls. They revealed that, less than half of the companies reviewed had no systematic discrimination and 12.5% were violating wage equality conditions to participate in Federal public procurement. Those companies that are in violation with Switzerland's procurement policy are allowed to correct their policies. It is interesting to note that 50% of businesses under review that were found in violation of wage equality requirements, checked their pay practices and raised women's wages. This tool has won the UN prize for public service in 2012.

(Source: summary from a presentation made by Patric Aeberhard, Equal Pay Expert, Federal Office for Gender Equality, Switzerland at the WTO Workshop on "Workshop on Enhancing the Participation of Women Entrepreneurs and Traders in Government Procurement" - 25 June 2018)

**5. Many, if not most Members, have established targeted incentives - financial or in other forms - for the private sector and women owned MSMEs**

*Financial incentives to private sector to hire women*

Some governments have created financial incentives for the benefit of export-oriented firms to hire unemployed women or for employers in general which are implementing programmes to recruit and retain women who have been on career breaks. Others have made women employment one criteria for a grant eligibility for cooperative enterprises. Fiscal incentives in the form of tax credit are also used to encourage small businesses to re-employ career disconnected women.

*Financial incentive schemes for women owned MSMEs*

Some members have set up support programme for MSMEs reserving quotas for women to receive funding for their companies. Others have established specific "women's fund" to provide affordable and responsive finance to women owned companies, mostly start-up enterprises. In some cases, the objective is clearly set. These schemes targeting women's small enterprises exists because they lack access to financial institutions services considering the need to present collaterals and the high level of interest rates.

Through these support programmes, governments aim at facilitating access to credit for women's business activities, provide rural women with opportunities to access value chains, and help women to compete in regional and international markets.



Financial support usually takes the form of credit guarantees, securities, grants, loans or subsidized financing (loans accompanied by a grace period and a favorable debt-equity ratio). Such support can also take the form of a subsidy amounting to a certain percentage of the cost of establishing new MSMEs in urban and rural areas, with an additional support to women in rural areas.

In many cases, governments have established special quotas for women owned companies to secure their access to such incentives. Quotas can go from 20% to 35% in general and some incentives reached 80%.

Those financial schemes are often accompanied with other types of assistance schemes for women MSMEs such as marketing assistance, training on business management. It is interesting to note that one member has set up an evaluation system to measure the contribution of women to the economy through such incentives.

One country has set up a national fiscal stimulus package in support of women.

#### *Incentive to promote women's economic empowerment in the export sector*

Some countries have set up financial support to women in export businesses, to foster their access to international markets. This type of assistance can take the form of a cost sharing grant with the aim of developing specific sectors, finding new export markets and promoting women in the export sector. Other forms of assistance include low interest loans provided to women-led and women owned exporting companies and those with export potential or of a partial subsidy scheme with preference given to women owned companies to promote and support their export activities.

Members' incentive policies also provide skills training on business and financial management. To support women entrepreneurs in accessing international markets, training programmes for business women are established by members to increase their capacity to export and improve their success in regional and international markets.

In particular, one government has set up an electronic portal for businesswomen containing information about their major products. In addition, this government has organised special online trainings to assist women in entering international markets and help them better understand how to expand their business in international markets.

### **6. Women entrepreneurs benefit from simplified business licensing procedures and requirements**

As part of their entrepreneurship policies, some WTO Members have set up simplified industrial license processes for MSMEs and women owned companies.

Others require from entrepreneurs to inform governmental authorities about the gender composition of their company in their business license application.

### **7. Services: creating market access opportunities for female workers and employees**

When designing trade policies in services, Members mostly create market access opportunities (mode 4) for foreign female workers/employees.

Some have developed general provisions of non-discrimination policy on the basis of gender for granting work permits to foreign employees.



One country has opened its services sector in the category of social services (mode 4) to promote women's participation in the economy. The policy opens the national market to foreign housekeeping workers allowing women in need for household assistance to integrate the workforce.

## **8. Ministries and governmental agencies responsible for gender equity are involved in trade policy formulation and implementation**

In a few countries, ministries and governmental agencies responsible for gender equity and women's empowerment are involved in trade policy formulation and implementation.

Interestingly, one member has set up private public coordinating committee to assess how specific agriculture export sectors can address gender issues.

Most of the gender focused ministries and governmental agencies have objectives on promoting women in the private sector and as entrepreneurs.

## **9. Other trade policies supporting women's economic empowerment**

### *Standards and technical regulations*

In one country, the national institute of normalization recognized a government body promoting gender equality to conduct conformity assessments compliance with technical regulations. One member's national standardisation agency has published 44 standards regulating various areas including gender equality.

### *Aid for trade*

Members have also reported on their trade capacity building, and Aid for Trade programmes for women addressing female entrepreneurs needs in developing countries.

### *Bilateral trade agreement*

One country mentioned the positive impact on women's sustainable employment resulting from tariff exemptions (almost zero-rated tariff) fixed in their bilateral trade agreement. Other issues were reported as part of bilateral free trade agreement, such as labour development, aid to promote gender equality in the workplace and preventing gender discrimination and harassment.

### *Trade related infrastructure building can have an impact on women's economic empowerment:*

The recently built Trans Gambia Bridge was created as a sub-regional integration project to facilitate trade, transport, and security in West Africa. The structure supports the movement of people, goods and services between The Gambia and Senegal and is part of a larger Trans West Africa Corridor project. Women would mostly be benefiting from this new infrastructure as they trade vegetables and rice production across both borders. It provides an opportunity for them to expand their businesses<sup>12</sup>.

### *Various data collection schemes in relation to trade and gender*

Some members have reported on the data collection schemes their designed to gather statistics on women's participation in the economy as employees or business owners.

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<sup>12</sup> Source: The Gambia 2018 TPR/Question and Answer session and supplementary information from the African Development Bank



Others have mentioned they collected data on the gender distribution of participants and beneficiaries to WTO Technical Assistance. One member reported data on intellectual property rights infringements by gender.

#### **10. Other non-trade policies can also foster trade role's in empowering women**

Some countries have created flexibilities in their labor law applying only to free economic zones where export companies are established (manufacture for export from free zones) allowing night work for women.

One member adopted new legislation to ensure that more women are represented on the directors' board of its state-owned enterprises (public limited companies). Those companies are legally required to have both genders represented on the board of directors and by approximately 40%. Companies that do not comply with this obligation would be denied registration and could be dissolved by a Court decision, following a liquidation process.

Similarly, one member has created incentives for professional and managerial occupations, applicable in all sectors of the economy to foster women's entry into paid work. Another one adopted a new law - "Act of Facilitation of Women's Active Roles in the Workplace" – requiring employers to design internal action plans ensuring active participation of their female employees. It also created an obligation for employers to communicate information on the implementation and results of such plans.

One member reported on its labor market adjustments encouraging women to re-join the labor force ("Back to Work" Programme). The programme provides them with special trainings to develop their skills in 15 different jobs including in export sectors such as seafood processing and textile industries as well as services.

Some gender mainstreaming policies have also been developed in the finance sector such as creating gender-responsive budget in national financial sector plans; or gathering data on women's financial inclusion. One country has developed a tool allowing financial institutions to evaluate the service they provide to women entrepreneurs and to adapt their products and strategies to their needs and challenges.

Interestingly, one member mentioned that the low participation by women in its labor market is a contributing factor to low levels of foreign direct investment.

#### **11. Designing trade policies in support of women is gaining momentum in WTO members**

Some countries are organizing national consultations with their stakeholders to better understand how to integrate gender into their trade policies.

In 2018, the government of Pakistan held public-private sector consultations on gender and trade policy with the objective of gathering proposals on trade policy formulation to increase the participation of women in the economy activities. Similarly, New Zealand has conducted national consultations with the same objective.

Other countries are currently evaluating the impact of their aid-for-trade strategies to better target women and to concretely assess the results of their programmes. Others have started to design new types of trade agreements building on the work done so far in this field.