

4 The multilateral trading system

This unit examines the multilateral trading system (MTS), how it operates and key areas covered – agriculture, services, intellectual property rights and non-agricultural market access.

It will help you to:

- describe the workings of the MTS, its institutions and the framework of agreements through which it operates
- identify the main sectors covered and the gender impacts in each
- relate all these to experiences of your own country/ region/ sector.

For each of the key areas discussed there is a short case study, a key reading and a checklist activity. You can focus on the area(s) most relevant to you or work through them all.

In this unit

The MTS at a glance
Services
Agriculture
Intellectual property rights
Non-agricultural goods
Other trade agreements

What?

What is the MTS?

- The MTS is rooted in the General Agreement on Tariffs and Trade (GATT).
- Since 1995 it has been overseen by the World Trade Organization (WTO), the system's operational arm.
- The WTO, mandated by its members, oversees and implements trade agreements and enforces the dispute settlement process.
- The MTS is facilitated by a network of bilateral, regional and quasi regional arrangements on aid, development and trade cooperation assistance. There are currently about 2,500 such arrangements in force. These include:
 - *the Lomé Convention (now the Cotonou Agreement) between the European Union and African, Caribbean and Pacific States (EU-ACP)*
 - *Economic Partnership Agreements (EPAs)*
 - *the African Growth Opportunity Agreement*

– *the Caribbean Basin Initiative (now the Caribbean Basin Trade Partnership Act-CBTPA)*

- The increasingly complex array of arrangements range from limited free trade agreements – such as the North American Free Trade Agreement (NAFTA) between Canada, Mexico and the United States – to the more integrated economic unit of the European Union.
- Regional arrangements sometimes drive the global trade liberalisation process.
- Key sectors are covered by agreements such as the AoA, GATS, TRIPS and NAMA (explained later in this unit).
- The 'most-favoured-nation' (MFN) provision requires WTO members not to discriminate among other WTO members; in other words, any trade benefit they give to one country must be extended to any other WTO member.

How?

How does the MTS work?

- Governance of the MTS means the institutional framework that makes, implements and oversees trade rules and practices.
- It includes the WTO, national trade machineries, regional trade agreements and mechanisms, plurilateral agreements and international financial institutions (e.g., the World Bank and International Monetary Fund (IMF))
- The WTO has
 - a ministerial conference at least once every two years
 - a General Council of all members
 - a Secretariat of 600+
 - working parties and informal meetings
 - technical capacity training programmes
- The practice is decision-making by consensus.

Why?

Why does the MTS exist?

- Free trade ideology is in the ascendant, with a belief in the primacy of the market and free flow of goods and services, commercialisation and privatisation.
- Trade liberalisation means fewer restrictions on cross-border flow of goods and services.
- The aim of the MTS is to provide a systematic and orderly process for international trade.
- It offers a framework for negotiating trade rules, based on the exchange of concessions around market access across a wide range of countries.

Who?

Who are the players?

- National States are both actors in and facilitators of the system. As at December 2006, 149 countries were members of the WTO, with 30 more negotiating membership.
- Other players are
 - importers
 - exporters
 - investors
 - workers (paid/ unpaid; formal/ informal)
 - consumers.

The MTS at a glance

The MTS facilitates the movement of goods, services and investment, which are the bricks and mortar of globalisation

Where?

Where does the MTS operate?

- The MTS is about operation and interaction among national markets at the global level, but the rules are implemented locally.
- It has influence at local level and impacts on the functioning of States, businesses, families and individuals.



Activity 4.1: Explaining the MTS

Imagine a colleague has asked you for a simple explanation of the MTS. Based on the information above, your reading and your own experience, fill in your side of this conversation.

You may also refer to Units 2 and 3 and draw in other information relevant to your country/ region.

Please tell me – why do we need an MTS?

How does the WTO fit in with the MTS?

What part do national states play in the MTS?

Who runs the MTS – who decides?

Governance of the MTS raises some important issues – and in turn each of these raises the questions who? what? how?

- agenda setting (who sets the agenda? what items are on the agenda? how is the agenda decided? and so on)
- rule-making (who makes the rules, etc)
- addressing structural and other imbalances
- enforcement
- accountability
- addressing gender issues.

You may notice that these are much the same issues raised in Unit 3 about governance and trade policy-making at national level.



- Get people to work in pairs or small groups and make short presentations to explain what the MTS is and how it operates.
- Get two volunteers to do a mock television interview in front of the group, based on Activity 4.1.
- Have a general discussion to share information and ideas about the importance of MTS governance issues and the who/ what/ how questions concerning:
 - agenda setting
 - rule-making
 - addressing structural and other imbalances
 - enforcement
 - accountability
 - addressing gender issues.

Sectors

The rest of this unit looks at how the MTS operates – the implementation of WTO agreements and the gender impacts in key sectors:

- agriculture
- services
- intellectual property rights
- non-agricultural goods

For each sector there is a short case study, a key reading and a checklist activity. You can focus on the sector(s) most relevant to you or work through them all.

Agriculture

The Agreement on Agriculture (AoA) was established in 1994 under the umbrella act establishing the WTO and came out of the Uruguay Round of negotiations 1986–1993. It called for a reduction in agricultural export subsidies, reduced domestic support to farmers and lower tariffs on imports of agricultural products. The Doha Development Agenda (DDA) of 2001 aimed to address continued imbalances in global agricultural trade. The round of talks on the DDA was suspended in July 2006.

The questions to think about in relation to agriculture are:

- What is women's contribution to agriculture?
What is the gender-based division of labour?
- What are the gender impacts of trade liberalisation?
- What are the agriculture-related features of relevant trade agreements?
- What are the implications and opportunities?

The following case study looks at the employment conditions of women in Kenyan horticulture, particularly in relation to international codes of conduct.

Case study 4.1: Kenyan flower production

Codes of conduct covering employment conditions of Southern producers have gained popularity over the past decade. In African horticulture, employers have come under increasing pressure to adopt codes coming from supermarkets, importers, exporters and trade associations. Women constitute the majority of workers in African export horticulture; however, they are also more likely to be employed in temporary and insecure jobs.

In Kenya horticulture is the fastest-growing sector of the economy. This performance is mainly attributed to the export of cut flowers, the vast majority of which go to European markets. Seventy-five per cent of the employment in the cut flower industry is female, and over 65 per cent of the workers are employed on a temporary, seasonal or casual basis. Legally, Kenyan employers are required to promote casual or temporary workers to permanent status after eight months, but employees are often found returning year after year on a renewed temporary contract. Women in particular suffer from this legal loophole as a result of gender discrimination in Kenyan employment embedded in social norms that consider women more compliant and better suited to certain types of horticultural work (such as picking and packing), coupled with perceptions that women's income is supplementary, rather than central, to household well-being.

The main codes of conduct operating in the Kenyan context are the Northern sectoral code Milieu Project Sierteelt and the Southern sectoral



codes of the Kenyan Flower Council. Also on the increase is the use of the German-based Flower Label Programme, drawn from the International Code of Conduct for Cut Flowers developed by non-governmental organisations (NGOs) and trade unions in Europe. However, while producers found codes to be useful management tools, and there has been some improvement in areas of health and safety and other areas, major concerns over worker conditions – particularly for women – still persist. Interviews with workers found that only 22 per cent were aware of the existence of the codes, with even fewer aware that they pertained to workers' rights, and only 31 per cent of non-permanent workers had a signed, written contract. Despite many codes of conduct cautioning against the use of 'rolling contracts', many employers continue to use them as means of avoiding the additional costs associated with permanent employment.

The vulnerability of such non-permanent employment also leads to links with other unethical conditions, such as the obligation to work overtime (often excessively so) as a condition of employment, miscalculated wages, or dismissal or lack of contract extension due to pregnancy. The latter form of gender discrimination contravenes most codes and yet appears to be common practice. In the area of sick pay, medical care and childcare, women are further disadvantaged as these are typically not covered by codes. Non-permanent employees were also found to be more prone to verbal and occasionally physical abuse, dismissal without just cause, wages being docked as a disciplinary measure, corruption and favouritism. Fear of non-renewal of their contracts prevented complaints, and with women being under-represented in both trade unions and workers' committees, avenues for addressing these issues are limited or non-existent.

Despite positive steps taken by producers in the wake of the ethical trade advocacy by NGOs and movements such as the Ethical Trade Initiative, problems persist for female flower workers through both a lack of comprehensive social chapters within the codes that address the gendered nature of employment inequalities in the industry, and the lack of proper implementation of those relevant codes that do exist. One encouraging way forward that developed in 2002 was the spearheading of a campaign by local civil society organisations in response to continuing poor working conditions on Kenyan flower farms, spawning a series of articles in the Kenyan press. These activities generated concern about the reputation of the industry in overseas markets, and were responsible for bringing together a range of stakeholders to engage in dialogue on the labour practices. A Steering Committee – the Horticultural Ethical Business Initiative (HEBI) – was formed to guide social accountability in the horticulture sector and comprised members from government, NGOs and trade associations/ employers. In 2003

HEBI was registered as a legal entity and developed a multi stakeholder approach that has led to a major impetus through trans-national alliances of NGOs and ethical consumer groups. Participatory social auditing is an integral function of HEBI. Further initiatives along these lines are needed to transform what has been to date a largely gender-neutral approach into one that incorporates the gendered needs of employees in Kenyan horticulture.

SOURCE: SMITH ET AL, 2004. ADDITIONAL INFORMATION ON HEBI FROM OPONDO, 2005.

Activity 4.2: Checklist on agriculture, trade and gender

This activity is to help you check your grasp of the agriculture, trade and gender issues and relate them to your own country/ region.

In the box opposite is a selection of statements relating to the gender impacts on agriculture. For your country/ region, mark them Yes/ No/ Don't know (information not available). If your answer is 'Don't know', note where you could get the answer.

Add any further statements you think are particularly relevant for your context.

Key reading Unit 4a (on CD-ROM)

Garcia, Z and J Nyberg (2004) 'Agriculture, Trade and Gender' in Tran-Nguyen, A and A Beviglia Zampetti (eds) *Trade and Gender: Opportunities and Challenges for Developing Countries*, UNCTAD, Geneva, pp. 77–121 (Chapter 3).

This reading covers:

- 1 contextual information with a brief review of women's contribution to agriculture
- 2 gender implications of trade liberalisation by analysing the experience of selected developing countries
- 3 the main agriculture-related features of trade agreements, both multilateral and regional
- 4 the main implications of agricultural trade for small-scale farming, the opening up of economic opportunities for women and other gender aspects
- 5 conclusions and recommendations.

The section on agriculture in the Cutting Edge Pack *Gender and Trade* (pp 20–23) is also a useful short introduction.



	Yes	No	Don't know
1 Women tend to dominate in the agricultural sector.			
2 Women mainly produce domestic staples; they are more involved in small-scale trade of domestic food.			
3 Local farmers are pushed out of domestic markets by the dumping of cheap subsidised food imports. Falling prices mean it costs more to produce the crop than it is possible to sell it for.			
4 Removing state support to the agricultural sector – including extension services, subsidies for inputs and credit – has marginalised poor producers and cut their access to productive resources.			
5 Impacts disproportionately affect women because of their roles as both producers and managers of food security in households.			
6 Trade policies that promote cash crops and prioritise export-orientated growth mainly benefit men, who have overall responsibility in this area.			
7 Gender inequalities in access to and command of productive assets such as land and credit, or storage and transport facilities, tend to constrain women's benefits from such policies.			
8 Women receive only a small percentage of the credit granted to small farmers.			
9 Women often work as unpaid workers on family plots and in cash-crop production controlled by husbands or other male family members, without control over the proceeds of their work.			
10 Women consumers in cities benefit from the cheaper foodstuffs available because they are the net buyers of food.			
11			
12			

Training suggestions appear at the end of the unit.

Services

The services sector has grown enormously during the last decade and is becoming a major economic sector in many developing countries. Activities it covers include:

- advertising
- audio-visual services
- banking and finance
- communications
- construction
- data processing
- education
- environmental services
- health-care services
- insurance
- professional services
- retail and wholesale trade
- transportation
- tourism.

It is also part of the core infrastructure of a country and includes transportation, telecommunications, utilities and essential services such as water and energy.

Services are incorporated into the MTS under the General Agreement on Trade and Services (GATS). This was negotiated in the Uruguay Round and came into force in 1995.

The agreement defines four ways (or 'modes') of trading services:

- Mode 1: services supplied from one country to another (e.g., international telephone calls), officially known as 'cross-border supply'
- Mode 2: consumers or firms making use of a service in another country (e.g., tourism), officially 'consumption abroad'
- Mode 3: a foreign company setting up subsidiaries or branches to provide services in another country (e.g., foreign banks setting up operations in a country), officially 'commercial presence'
- Mode 4: individuals travelling from their own country to supply services in another (e.g., domestic workers or health-care professionals), officially 'presence of natural persons'.

Modes 1 and 4 are regarded as the main ways for increasing women's participation in the international trade in services. Gains from these two modes could make a significant contribution to achieving the Millennium Development Goals (MDGs).

Tourism is one service export sector that does usually receive attention in developing countries and their national strategies. The following case study examines gender dimensions of tourism in Barbados and the impact of trade liberalisation.



Case study 4.2: The Barbados tourist industry: Gender dimensions

Barbados is the most easterly of the Caribbean islands. During the 1950s the government, in an effort to diversify from its dependence on sugar, began to develop its tourism industry, which eventually surpassed sugar and manufacturing in economic importance. Tourism currently plays the lead role in Barbados' economy and therefore has the potential to be the major vehicle for sustainable development.

The tourism industry in Barbados has impacted significantly on the lives of the population by transforming economic activities. In doing so it has, in most cases, expanded the opportunities available to women and diversified the employment patterns of men.

Employment

During the pre-independence period, female economic activity was primarily concentrated in the sugar-based agricultural sector, small farming, self-employment as seamstresses, vending, retail trade and the care economy. The growth of tourism has opened new employment opportunities for them and has contributed significantly to reducing poverty levels. Data from the Barbados Statistical Service informs that in 2004, of a total labour force of 12,200 persons employed directly in tourism, women comprise 59 per cent compared to 40.1 per cent men. In keeping with global trends, men dominate in the upper employment levels as managers, professionals and technical persons accounting for 53 per cent of this category. In the middle sector, women exceed men significantly, making up 68 per cent – primarily in clerical positions. In the lower sector, women make up 48.3 per cent. Males dominate as machine operators (laundry machines and gardening equipment) and females dominate as elementary workers (maids, waitresses). Tourism therefore conforms to the international position as a significant employer of women.

Social relations

Women in the lower end of the tourism sector are generally employed as casual, part-time and seasonal workers. Again, in conformity with global trends, women are used as sex objects within the industry. They are expected to be attractive and accommodating to male customers. In addition, they are further portrayed in a stereotypical way in brochures and other promotional materials.

There have been some positive developments. The increased employment opportunities have created a sense of independence and have empowered women to negotiate for and enforce their rights within the family. Their increasing independence from their male partners has made their bargaining position stronger and has equipped them with a

say in the critical decisions that shape their future. The advancing status of women generally has seen a parallel shift in the activities of men in areas that were previously dominated by women. These include the manufacture and sale of craft, other forms of vending and their personal and active involvement in the tourist sex trade.

Educational opportunities

The growth of the tourism industry has led to the establishment of educational programmes to meet the needs of that sector. Registration for these programmes is dominated by women, and the qualifications offered have facilitated limited advancement of women to middle management and upper management positions. However, the educational opportunities available have done little to alter the horizontal and vertical segregation of labour in the tourism industry. The typical gender pyramid of men in managerial positions and few career development opportunities available to women remain prevalent and have only realised very slow change.

Entertainment and social services

Entertainment services within the industry have traditionally been dominated by men. Musicians performing on the hotel circuit are predominantly men with the women's role in this sphere being largely confined to limbo dancing and other not so subtle sexually oriented activities like striptease and exotic massage. Women also make up a large complement of dancers and it is only through this activity that their numbers have brought them as a group to rival men in terms of numbers performing in this sector. Again, it is noteworthy that their pay is considerably less for this activity than males who are employed in other entertainment activities.

In the area of providing security services for the industry, men again predominated initially. There has, however, been a gradual shift in the employment patterns with more women entering this sector as private security officers and in the local police force. Their numbers have also increased dramatically in the immigration and customs services, but the typical gender pyramid still applies as they occupy the lower rounds of employment in these sectors.

Community tourism

This activity has been least developed in Barbados when compared to other popular tourist destinations. Is it because women stand to benefit more from this activity? As a more recent addition to the tourism product, the most popular example is the Oistins Bay Garden where activity is concentrated on weekends. In this fishing village, tourists patronise food stalls that are owned largely by women. There are also plans to develop a community craft enterprise with the aid of the private sector on the

scenic east coast where female vendors currently dominate the sale of craft items in the environs of a community centre. Community tourism as an income generator has presented further opportunities for women, who in response have had to alter their traditional roles in communities by generating independent income and becoming a 'leader' or a businesswoman.

Opportunities/constraints

Tourism has evidently expanded economic opportunities for both sexes and has facilitated a shift in employment patterns. Opportunities have arisen as event planners, cosmetologists, baby-sitters, nightclub, food services and water sports operators, and taxi drivers, among others. From a gender perspective though, the opportunities created have been filled according to traditional gender expectations, with women gravitating to those activities that they are deemed suitable for and men in positions that conform to traditional patterns and that tend to attract greater returns.

SOURCE: HOLLINGSWORTH, 2006.

Two more short examples from the Caribbean illustrate different impacts in the services sector.



Case study 4.3: Household workers in Jamaica

The household/ domestic service sector consists mainly of unskilled women. These are poor women and many are heads of households. This sector can expand based on a downturn in the economy – for example, the withdrawal of foreign direct investments (FDI) – or it can contract based on opportunities in other areas such as overseas employment or outward migration. FDI and overseas employment opportunities therefore are two factors that affect household workers in Jamaica.

The Jamaica Household Workers Association (JHWA) is a non-government, voluntary, women's organisation that was established in 1991 to represent the needs and interests of female household workers. The JHWA was designed to provide opportunities for support at the local, regional and international levels.

Household/ domestic workers are involved in trade: they trade their services. Many who migrate continue in the service. With the advent of the CARICOM Single Market and Economy (CSME), the JHWA has limited opportunities for trade and export promotion. Household workers will not be able to benefit as they are poor and also not listed in the 'free movement of persons' category.

SOURCE: WILLIAMS, 2006.



Case study 4.4: Emigration of nurses from the Caribbean

A growing shortage of nurses in developed countries and emerging gaps in the public sector has led to enhanced international recruitment of nurses by developed nations from countries such as those in the Caribbean. Push factors associated with weaknesses in the public health systems of developing countries have been a contributing factor to this out-migration. They include inadequate remuneration and benefits, unfavourable working conditions and insufficient training and professional development. Despite increased international initiatives to control recruitment and to stop poaching from already drained countries, this has only had a temporary impact, and fast track immigration procedures have been put into place in the United Kingdom and the United States.

SOURCE: UNECLAC, 2005.



Activity 4.3: Checklist on gender impacts of trade in services

Here is a selection of statements relating to the gender impacts of the liberalisation of trade in services. For your country/ region, mark them Yes/ No/ Don't know (information not available). If the answer is 'Don't know', note where or how you could get the answer. Add any further statements you think are particularly relevant for your context.

	Yes	No	Don't know
1 The services sector has experienced an explosive growth during the last decade.			
2 The majority of women paid workers are concentrated in services.			
3 Women tend to predominate in micro or small service firms – in particular as service suppliers for domestic consumption.			
4 In 'modern services', women dominate the data entry segment for processing and coding information (back office operations) for credit cards, airlines, mail orders and rail systems.			
5 Many of the services involve working for a foreign service firm – particularly in the financial sector (banking). Here women may earn relatively high wages and increase their status within their families and communities.			
6 Services liberalisation has not reduced the gender wage gap, or changed the gender-based hierarchy of occupations or the proportion of casual jobs.			
7 Under mode 4, women are usually more involved in labour-intensive services (e.g., care, health, domestic and social services) than in professional services (e.g., accountancy, engineering and management).			
8 Under mode 4, women may move abroad for work if there are no jobs in the domestic economy, thereby contributing to poverty reduction.			
9 Loss of trained womanpower results in shortages of skills and 'brain drain' that negatively affect the provision of services domestically (e.g., health care).			
10 Under mode 4, women make a significant contribution to remittances, because they are likely to save more and send more of their earnings home. This can be a source of empowerment for women and can challenge traditional gender relationships.			
11			
12			

Training suggestions appear at the end of the unit.



Key reading Unit 4b (on CD-ROM)

Riddle, D (2004) 'A gender-based analysis of international trade in services: The experience of developing countries', in Tran-Nguyen, A and A Beviglia Zampetti (eds), *Trade and Gender: Opportunities and Challenges for Developing Countries*, UNCTAD, Geneva, pp 175–221 (Chapter 6).

This reading has eleven sections and there are specific policy recommendations at the end of each.

- 1 Potential links between liberalisation of trade in services and development, given the central role of services in all economies, with many of the services suppliers being women
- 2 Common misconceptions about GATS and the need to be strategic in negotiations
- 3 Issues related to small service suppliers
- 4 Data from 12 countries at different levels of development – concludes that there is no reason to believe that further liberalisation of trade in services will automatically be either of benefit or harm to women
- 5 The invisibility of services in general within policy environments and the consequences for women
- 6, 7 and 8 Implications for women as business owners, workers and consumers
- 9 Biases in development programming regarding services and women entrepreneurs
- 10 Suggestions for gender-sensitive approaches to GATS negotiations and implementation
- 11 Conclusion: need for developing country governments to address gender issues in domestic regulations, market entry requirements and requests of trading partners.

The section on services in the Cutting Edge Pack *Gender and Trade* (pp 24–28) is also a useful short introduction.

Intellectual property rights

The WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), negotiated in the 1986-1994 Uruguay Round, introduced intellectual property rules into the MTS for the first time.

The areas covered by the TRIPS Agreement are:

- copyright and related rights
- trademarks, including service marks
- geographical indications
- industrial designs
- patents, layout designs (topographies) of integrated circuits
- undisclosed information, including trade secrets.

The agreement covers five broad issues:

- 1 how basic principles of the trading system and other international intellectual property agreements should be applied
- 2 how to give adequate protection to intellectual property rights
- 3 how countries should enforce those rights adequately in their own territories
- 4 how to settle disputes on intellectual property between members of the WTO
- 5 special transitional arrangements during the period when the new system is being introduced.

As in GATT and GATS, the starting point of the intellectual property agreement is basic principles. And as in the two other agreements, non-discrimination features prominently: national treatment (treating one's own nationals and foreigners equally), and most-favoured-nation treatment (equal treatment for nationals of all trading partners in the WTO). National treatment is also a key principle in other intellectual property agreements outside the WTO.

The TRIPS Agreement has an additional important principle: intellectual property protection should contribute to technical innovation and the transfer of technology. Both producers and users should benefit and economic and social welfare should be enhanced, the agreement says.

The TRIPS Agreement has impacts on public health, agriculture and biodiversity, traditional knowledge and reproductive health (for example, in terms of access to fertility control methods and maternity care).

Under the 'Doha waiver', agreed in 2003 and adopted in 2005, WTO members agreed on legal changes that will make it easier for poorer countries to import cheaper generic medicines made under compulsory licensing if they are unable to manufacture the medicines themselves.

Case study 4.5: TRIPS and gender linkages in India

There are fears that the design, planning and implementation of TRIPS in India would worsen the gender asymmetry in terms of accessing affordable health care, nutrition and rights over community knowledge systems. At one level, the granting of monopoly rights serves to enhance the costs of products and services, especially those related to medicines. At another level, TRIPS, by extending legal recognition to only individual rights, also excludes protection to community-based knowledge systems where women have a critical stake, thereby ignoring both their economic significance and contribution. Taken together, the implementation of the TRIPS agreement is likely to impact adversely on women's rights to affordable health care, nutrition and property.

It has been estimated that 38 per cent of the 5.2 million people living with HIV/AIDS in India are women. Women constitute nearly 47 per cent of the cancer burden. Approximately 67 per cent of women in the age group 13–50 are suffering from anaemia. It has been found that though women in India report more illnesses with an increase in income (this is primarily because reporting of morbidity increases with an improvement of standard of living), treatment of the disease does not show a corresponding trend. As the National Sample Survey shows, financial constraints and lack of affordable medical care are the chief factors contributing to this. In addition the same women are more susceptible to diseases such as gynaecological disorders, cancers and tumours and diabetes mellitus. Maternal and perinatal conditions constitute nearly 11.6 per cent of the disease burden.

Effective drugs for the treatment of anaemia are out of reach for most poor women. In addition, existing prices of breast cancer treatment drugs, such as endoxane or melphalan, are in the range of approximately \$3–\$43. Clearly, once the product patent regime is in operation, these prices would climb further by eliminating generic competition and creating monopoly rights over new drugs and new vaccines. Thus, for instance, a patent on the new vaccine for cervical cancer would effectively put it out of reach for poor women.

An important challenge relates to the complex linkages of the TRIPS Agreement with food production, food security and nutrition in developing countries. It is believed that Article 27(3)(b) of the TRIPS Agreement, permitting patents on seeds and micro-organisms such as algae, bacteria and fungi, would increase the prices of seeds and fertilisers while restricting traditional exchange, use or sale of seeds by farmers. Increasingly, women farmers access farming inputs from the market and, given existing disparities between women and men's access to cash and credit, women farmers would undoubtedly face a greater risk of falling into chronic indebtedness.

It is feared that the TRIPS Agreement would lead to increasing privatisation of genetic resources and agricultural knowledge. Protection of plant varieties (PPV), essentially articulated in terms of the rights of commercial breeders, will affect the access of women farmers to germ plasm and scientific knowledge. Further, with an increased emphasis on monoculture, PPV would undermine conservation of biodiversity and sustainability concerns with negative consequences for local food security, including nutrition.

It is well known that women have been at the forefront in preserving biodiversity in many communities for centuries. The international community has recognised the close and traditional dependence of many indigenous and local communities on biological resources, notably in the preamble to the Convention on Biological Diversity, which has been ratified by 178 countries since 1992. The Convention also recognises the contribution that traditional knowledge can make to the conservation and sustainable use of biological diversity, two of its primary objectives. It addresses the role of both women and local communities in meeting these objectives. The TRIPS Agreement does not accord recognition of, and compensation for, traditional and local knowledge among women and men farmers.

SOURCE: CONTRIBUTED BY KM GOPAKUMAR, RESEARCH OFFICER, AND BIPLOVE CHOUDHARY, CENTRE COORDINATOR, CENTRE FOR TRADE AND DEVELOPMENT, NEW DELHI, INDIA.



Activity 4.4: Checklist on the gender impacts of TRIPS

On the next page is a selection of statements relating to the gender impacts of TRIPS. For your country/ region, mark them Yes/ No/ Don't know (information not available). If the answer is 'Don't know', note where or how you could get the answer.

Add any further statements you think are particularly relevant for your context.

	Yes	No	Don't know
1 Little research has been done into the gender dimensions of both the public health aspect of TRIPS and the impact on traditional knowledge, food security, sustainable agriculture and transfer of technology.			
2 The TRIPS agreement has been contested by governments and civil society because it relates to areas (patents, trademarks, trade secrets, copyrights and breeders' rights) that used to be the subject of national legislation.			
3 TRIPS has detrimental impacts on vital aspects of human life and rights such as public health, agriculture and biodiversity, traditional knowledge and technology transfer.			
4 IPR legislation is drawn up in the context of structural gender inequalities. These affect access to land, property rights, credit, extension services and technology. So it will have significant impacts on gender relations and women farmers, entrepreneurs, researchers and consumers.			
5 As poor women make up a large percentage of subsistence farmers, they are disproportionately affected by reduced access to seeds, farm inputs and plants through the patenting of seeds and biological resources.			
6 Women are disproportionately affected by the use of genetically modified organism (GMO) technology for agricultural policies.			
7 The mobilisation of women and small-scale farmers is key to the development of a model of legislation for the protection of farmers' access to seeds.			
8 TRIPS has critical implications for women in terms of access to medicines for their specific health needs (for instance, reproductive health and maternal mortality).			
9 Pregnant women should be given preferential access to AIDS drugs, which would require the effective application of the Doha waiver, together with gender-sensitive national drug procurement and supply systems.			
10 Social justice concerns must play a part in the revision of patent and IPR laws, recognising the role, contribution and constraints of women farmers to improve women's access to seeds, credit and technology.			
11			
12			

Training suggestions appear at the end of the unit.



Key reading Unit 4c (on CD-ROM)

Gehl Sampath, P (2004) 'Exploring the Relationship Between the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights and Gender', UNCTAD Publication of the Task Force on Gender and Trade, New York and Geneva, pp 251–291.

This reading summarises the main provisions of the TRIPS agreement, which aims to set out 'effective and adequate protection' of the intellectual property required for global trade. It highlights some of the impacts of the agreement on developing countries, notably its potential impacts on whether medicines are available and affordable. It also looks at the intellectual property protection of life forms, which has caused controversy between developed and developing countries in two main areas: first, the protection of traditional knowledge relevant to medicinal products and research; and second, the protection of plant varieties, agricultural biotechnology and the rights of farmers in developing countries.

Considering the gender-related concerns of TRIPS, the chapter explores ways in which the impacts of the TRIPS agreements may be felt by women more than men.

Section 1

The impact of the TRIPS agreement on access to medicines in general, and on women in particular

1.1 factors that influence price rises

1.2 whether these price rises are likely to affect women more than men, and if so how

1.3 policy requisites to ensure gender equity in different countries

Section 2.1

The impact of TRIPS on agriculture

2.2 the important role that women play in agriculture in developing countries

2.3 the impact of these changes on women and ways national governments can deal with them

Section 3

Conclusions and recommendations.

The section on TRIPS in the Cutting Edge Pack *Gender and Trade* (pp 23–24) is also a useful short introduction.

Non-agricultural goods

At Doha, ministers agreed to initiate negotiations to further liberalise trade on non-agricultural goods. The Negotiating Group on Market Access was created in early 2002. The negotiations aim to reduce or eliminate tariffs and non-tariff barriers for non-agricultural goods, in particular on products of export interest to developing countries.

Non-agricultural market access (NAMA) refers to all products not covered by the Agreement on Agriculture (AoA), sometimes referred to as industrial products or manufacturing goods. In practice it includes products such as automobiles, beverages, chemicals, cement, glass, leather, plastic, fuels, mining products, fish and fish products, and forest products. Over the past years, NAMA products have accounted for almost 90 per cent of world merchandise exports.

The following case study outlines issues facing small-scale traders in the fisheries sector, following market liberalisation and formalisation of border trade.

Case study 4.6: Small-scale fish trade between Cambodia and Thailand

Cambodia's inland fisheries are the fourth most productive in the world given the combined capacities of the Tonle Sap (Great Lake) and the Mekong River, where more than one million people depend on the fisheries sector for employment, income and food security. Thailand is the largest importer of freshwater fish from Cambodia.

Commercial activities in the border areas developed during the 1980s and 1990s along with changes in border trade policies and structures, such as the establishment of state-owned enterprises, market liberalisation and formalisation of border trade. Cambodian small-scale fish traders are important actors in the trade chain, and the fish trade has created employment for these women who are now more able to financially support their households. However, in the overall fish trade chain, small-scale traders are more vulnerable to the impacts of border regulations and price fluctuations in the market, and as women are segregated in this sector, there are gendered implications. There are several reasons why women are concentrated in small-scale trading. First, women dominate the domestic fish retail trade, and small-scale export is seen as the extension of such a role. Second, women small-scale traders normally have little capital. They also have less connection with government officers or with fishers/ fish lot owners, and they have less capital to extend credit to fishers to ensure their supplies of fish. Third, small-scale trade is considered unsuitable for men.



This sex-segregation in the fish trade means that women in the small-scale border trade have difficulty in securing fish. Because they are unable to stock fish, and have little money to invest in ice, they also need to sell their fish as quickly as possible. This means they are unable to store their stock when fish price fluctuations between Cambodia and Thailand do not go in Cambodia's favour, making their business riskier. Additionally, because they have less connection with government officers and are unable to hire brokers because of their smaller quantities of fish, they are more vulnerable to fee collections by officer and others at the border. While Cambodian border fees have decreased following demonstrations by small-scale traders and transporters in 2002, Thai fees and border restrictions have increased dramatically. Apart from a two to five-fold or more increase in Thai customs and additional payments including water and sanitation fees to certain markets, import registration was strictly enforced. As only Thais can register as importers, small-scale women traders also found themselves paying fees to registered companies. These difficulties are compounded by the lack of horizontal links between small traders – who are scattered geographically – making it difficult for them to unite and construct a sense of fellowship towards dealing with common problems.

SOURCE: KUSUKABE ET AL, 2006.



Activity 4.5: Checklist on the gender impacts of NAMA

On the next page is a selection of statements relating to the gender impacts of NAMA. For your country/ region mark them Yes/ No/ Don't know (information not available). If the answer is 'Don't know', note where or how you could get the answer.

Add any further statements you think are particularly relevant for your context.



Key reading Unit 4d (on CD-ROM)

Williams, M (2005) 'The WTO negotiations on non-agricultural market access: Gender and the removal of industrial tariffs', originally published in *GERALinks*, the quarterly newsletter of the Gender and Economic Reforms in Africa Programme, Third World Network-Africa, July,
http://www.igtn.org/pdfs//400_Mariama%20NAMA%20-%20GERALinks.pdf.

	Yes	No	Don't know
1 With NAMA tariff cuts will lead to declining government revenue.			
2 This is likely to lead to a cut in government spending, with likely impacts on public provision in the health-care and education sectors.			
3 With these cuts in spending women and men are likely to increase their unpaid labour to take care of others.			
4 Given women's double role in provisioning and care, women's time burden and care activities will increase.			
5 Employment dynamics are complex and depend on whether women were significant players in manufacturing or related sub-sectors; what can be expected are a significant number of job losses.			
6 In the end, economy-wide reductions in tariffs have an impact on the employment of women and men through reduced domestic production and output. They also have impacts on the market size of domestic firms.			
7 When declining industrial production by domestic firms is offset by increased production in other areas (e.g., agriculture or services) or by inflow of foreign firms then the unemployment effect will be temporary.			
8 When increased production occurs primarily through the inflow of foreign capital (in assembly type operations), and if the new jobs need low-skilled labour, the preferred labour force are women.			
9 Women entrepreneurs will probably be less able to adjust to shocks in the manufacturing sector and will probably be more vulnerable to import competition than male-owned firms.			
10 There are likely to be negative multiplier (spin-off) effects. Shocks in the manufacturing sector will affect other sectors directly dependent on it (or the spending of wage earners in this sector) for the purchase of raw materials as well as services.			
11			
12			

Training suggestions appear at the end of the unit.

Other trade agreements

The Sanitary and Phytosanitary (SPS) Agreement

The SPS requires countries to establish minimum standards for export of agricultural products – such as fresh fruits and vegetables, meat and meat products, and fish – in order to protect human, animal and plant life or health. However, it is argued that the SPS has been used for protectionist ends by some countries to set higher than international standards. Many developing countries may not be able to meet these standards and are thus unable to compete.

From a gender perspective, the SPS provisions may penalise small producers, business owners and exporters. Women are particularly disadvantaged because of gender inequalities in access to capital (for machinery), technical and market information, and training and development schemes. They may find it hard to access and understand the scientific and technical information, especially if it is not available in local languages.

The Agreement on Textiles and Clothing (ATC) or the Multifibre Arrangement (MFA)

Textiles and clothing are particularly important to Asian countries, which account for 60 per cent of textile and clothing exports. The industry is dominated by giant retailers and super-label companies from industrialised countries. Because it is labour intensive with a large share of women workers, this sector has critical implications for development and gender equity in exporting countries.

The ATC required industrialised countries to phase out their quotas and restrictions on imports by 2005. However, they may find ways of introducing new forms of protectionism, such as technical barriers to trade.

The agreement will enable transnational corporations (TNCs) to become even more flexible in their operations. It has been expected that some countries, such as China, India, Pakistan and South Korea, would gain, while smaller economies such as Bangladesh and those that import fabrics, such as the Philippines, Sri Lanka and Thailand would lose out and that some could lose their textiles and clothing industries altogether. However, it appears that Bangladesh and others have not been as negatively impacted as expected.

The Agreement on Trade-Related Investment Measures (TRIMS)

TRIMS focuses on measures seen to be trade restricting or trade distorting. Basically it prohibits member countries making the approval of investment

conditional on laws, policies or administrative regulations that favour domestic products. It includes:

- 1 minimum local content requirements (in terms of value, volume or proportion)
- 2 trade balancing requirements (limits on purchase or use of an imported product up to the maximum value or volume related to local production)
- 3 restrictions on repatriation of dividends
- 4 ceilings on the equity holding of foreign investors.

The rules enable international firms to operate more easily within foreign markets. Many Southern countries have revised their commercial and investment laws as part of bilateral investment agreements to encourage foreign direct investment (FDI). More women than men tend to work in industries in which capital is more mobile and that are more sensitive to foreign competition. Such industries are most affected by economic downturns. There are implications for the job security of their mostly female workforce and the marginalisation of women's economic production and enterprise.

Multilateral environment agreements

Global trade rules include measures in environment-related areas. For example, human, animal and plant life or health (SPS Agreement), environmental technical standards (Agreement on Technical Barriers to Trade), subsidies related to agriculture (AoA) and restrictions on patenting inventions necessary to protect the environment (TRIPS). Women play a central role in social reproduction and natural resources management, as well as in environment protection. They are therefore affected by these agreements, though more research is needed into the gender impacts.

Information about these agreements comes from the Cutting Edge Pack *Gender and Trade* (pp 28–29).



There is a whole range of options here to relate this unit to countries/ regions/ sectors and to match participants' interests.

- Relate activities to the 'Other trade agreements' listed in the last section if these are relevant to the country/ region.
- Ask participants to do the checklist activity for a sector. Then discuss answers and any further statements they have added.
- Depending on the size and make-up of the group, participants could focus on one sector or divide into groups to focus on different sectors.
- Choose sector case studies or examples from the country/ region. Then get participants to relate the general issues raised in the readings to the particular case study. (See Unit 7 Tools #8 Developing a case study.)
- Ask participants to pool information to build up a profile of a sector (e.g., agreements in force, state of play of negotiations, gender impacts). If working as small groups on different sectors, they can make short presentations to each other. If time allows, give participants the task of further fact finding for this activity.



Key readings Unit 4e (on CD-ROM)

Randriamaro, Z (2006) *Gender and Trade: Overview Report*, a Bridge Cutting Edge Pack Series, Sections 3 and 4. Section 3 looks at the historical context of the MTS and the formation of the WTO. Section 4 considers the gender impacts of trade liberalisation, including the impacts by sector.

Relevant chapters, as listed in the unit, from Tran-Nguyen, A and A Beviglia Zampetti (eds) (2004) *Trade and Gender: Opportunities and Challenges for Developing Countries*, UNCTAD, Geneva.

Unit review

Use this review of what has been covered to assess your progress. Look again at the unit objectives and check if you can now do them. Look through your answers to the activities and see if you want to add to them.

This unit has covered the following main points:

- The MTS – why, what, where, who, how?
- Key areas covered by the MTS:
 - agriculture
 - services
 - intellectual property rights (TRIPS)
 - non-agricultural goods
 - other trade agreements.

To recap, the learning objectives for the unit were to:

- describe the workings of the multilateral trading system, its institutions and the framework of agreements through which it operates
- identify the main sectors covered and the gender impacts in each
- relate all these to experiences of your own country/ region/ sector.

References

Hollingsworth, J (2006) 'The Barbados tourist industry: Gender dimensions' case study presented at the Regional Workshop on Capacity Building on Gender, Trade Policy and Export Promotion for the Caribbean Region, Ocho Rios, Jamaica.

Kusukabe, K et al (2006) 'Women in Fish Border Trade: The Case of Fish Trade Between Cambodia and Thailand', in *Global Symposium on Gender and Fisheries: Seventh Asian Fisheries Forum*, World Fish Centre, available at http://www.worldfishcenter.org/cms/list_article.aspx?catID=39&ddlID=350.

Opondo, M (2005) 'Codes of Conduct and Corporate Social Responsibility in Kenya's Cut Flower Industry', presentation at the Development Studies Centre, Kimmage, 24 March.

Randriamaro, Z (2006) *Gender and Trade: Overview Report*, a Cutting Edge Pack produced by Bridge, Institute of Development Studies at the University of Sussex.

Smith, S et al (2004) *Ethical Trade in African Horticulture: Gender, rights and participation*, IDS Working Paper 223.

Tran-Nguyen, A and A Beviglia Zampetti (eds) (2004) *Trade and Gender: Opportunities and Challenges for Developing Countries*, UNCTAD, Geneva, http://www.siyanda.org/docs/UNCTAD_EDM_2004_2.pdf.

UNECLAC (2005) 'Migration in the Caribbean: What do we know?', Expert Group Meeting on Human Rights and Development in Latin America and the Caribbean, 30 November–2 December, Mexico City, Mexico.

Williams, J (2006) 'Household workers in Jamaica' case study presented at the Regional Workshop on Capacity Building on Gender, Trade Policy and Export Promotion for the Caribbean Region, Ocho Rios, Jamaica.

Williams, M (2005) 'The WTO negotiations on non-agricultural market access: Gender and the removal of industrial tariffs', originally published in *GERALinks*, the quarterly newsletter of the Gender and Economic Reforms in Africa Programme, Third World Network-Africa, July, http://www.igtan.org/pdfs//400_Mariama%20NAMA%20-%20GERALinks.pdf.