

CHAPTER 5

Gender and Trade: Impacts and Implications for Financial Resources for Gender Equality

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Introduction

Financing gender equality in the context of development and democracy requires specific and focused attention to allocating budgetary resources for the education, health care, training, skills and entrepreneurial development that is necessary to improve the lives of girls and women and to promote the overall economic empowerment of women. In order for this to occur in a predictable and sustainable manner, there must be a strategic rethinking of frameworks of fiscal policy, public finance, debt sustainability, monetary policy, exchange rate management, financial market regulation, trade reform and the negotiation of trade agreements. Increasingly, these areas are no longer the sole preserve of domestic policy-makers but are becoming interlinked with the operations of the broader multilateral trading system (MTS), global finance and global macroeconomic arrangements through formal processes of coherence between trade and financial institutions such as the International Monetary Fund (IMF), the World Bank and the World Trade Organization (WTO). This is also true of the harmonisation of aid under the Paris Declaration on Aid Effectiveness.

Trade policies, and the trade agreements on which they are increasingly dependent, need to be monitored and considered for their impacts on the key sources of financing of gender equality. This chapter will explore in greater detail to what extent the MTS can help to support the financing of gender equality and women's economic and social empowerment in Commonwealth developing countries. First, it provides the overall framework for understanding how the MTS, working in tandem with the international financial institutions, can contribute to the financing of gender equality and women's economic empowerment. Second, it examines how trade liberalisation and trade reform impact on the resources available for financing gender equality. This section seeks to define the scope and dynamics of the MTS and to identify the likely direct and indirect gendered impacts of trade on resource availability. It then offers a tentative overview of how trade impacts on the three domains of gender equality (capabilities, opportunity and security). Third, it explores how the MTS can support the mobilisation of resources for financing gender equality, with a focus on the areas of trade reform, aid for trade and trade-related capacity building and technical assistance. Finally, it concludes with some

thoughts on how to reconcile trade agreements with gender equality commitments and makes some specific recommendations.

The Financing of Gender Equality Interventions¹

As recognised in numerous international conventions, treaties and agreements, gender equality is critical for ensuring women's enjoyment of their human rights and is also vital for sustained and equitable economic development. Thus gender equality was identified as a central pillar of the eight Millennium Development Goals (MDGs). Goal 3 operationalises gender equality in terms of the elimination of gender disparity in primary and secondary education. The Millennium Project Task Force on Goal 3 further expanded gender equality to encompass at least five other goals: (i) equal opportunity, (ii) equal ownership and control over productive assets, (iii) freedom from drudgery, (iv) equal representation in decision-making and (v) freedom from the threat of violence.

These six dimensions of gender equality can be aggregated in terms of three inter-related and interdependent operational domains: capabilities, access to resources and opportunities, and security (UN Millennium Project, 2005). The capabilities domain includes all the elements that are necessary for enabling basic human ability and that are hence fundamental to the wellbeing of women and girls – for example, education, health and nutrition. The access to resources and opportunities domain includes all those elements necessary for the application of the basic abilities to mature and ripen, thus enabling girls and women to contribute maximally to social and economic life. This domain refers to equal opportunity to economic assets such as land, property, infrastructure and income and equality in political participation. The security domain includes all the factors that will help to reduce women's and girls' vulnerability to violence and conflict. The elements in these three domains are operationalised through seven strategic priorities revolving around:

1. providing universal primary and post-primary education for girls;
2. guaranteeing sexual and reproductive health and rights;
3. reducing women's and girls' time burdens;
4. guaranteeing women's and girls' property and inheritance rights;
5. eliminating inequality in employment, gender gaps in earnings and occupational segregation;
6. increasing women's share of seats in national parliaments and local government bodies; and
7. reducing violence against girls and women (UN Millennium Project, 2005).

Operationalisation of the seven strategic priorities to achieve gender equality will require financial, human and infrastructural resources. It will also require proactive interventions, on the part of governments in terms of legislation, policies and institutional changes. Both aspects of this require that gender equality interventions – both targeted

(directed at reducing gender equality) and non-targeted (directed at social development that has positive effects on improving the lives and living conditions of girls and women) – are integrated as priority areas into the national budgetary decision-making process. They must also be ingrained in macroeconomic frameworks that determine fiscal, monetary and trade policies.

Trade Liberalisation, Trade Reform, Trade Policy and Gender Equality

A key focus of WTO trade negotiations is the reduction of tariffs and other barriers to the cross-border movement of goods and services. Regional trading arrangements such as the Caribbean Common Market (CARICOM), the Common Market for Eastern and Southern Africa (COMESA), the North American Free Trade Agreement (NAFTA) and the ongoing regional trade agreements (RTAs) between the European Union and African, Asian and Pacific countries operate within the framework of the MTS. These RTAs develop based on the templates of the WTO system and at times deepen those templates beyond what is achievable at the multilateral level. This is so, for example, in areas of investment and intellectual property rights, which are much deeper and more comprehensive in some RTAs than similarly named provisions under the WTO.

The trade policy and trade reform apparatuses of most Commonwealth governments, which are governed by the WTO and RTAs, are aimed at facilitating foreign direct investment and liberalising trade. The key instruments are deregulation, tariff reduction and ‘progressive dismantling of non-tariff measures’ accompanied by an array of export promotion measures. These instruments and measures have many direct and indirect ways of impacting the availability of resources for gender equality.

Direct and Indirect Gendered Impacts of Trade on Resources

Financial resource availability

The direct impacts of trade on the financing of gender equality interventions are at least threefold: (i) employment, (ii) income and revenue and (iii) prices. Indirect impacts have to do with how changes in trade and export promotion measures affect the informal and household sectors. These factors will impact on the nature and scope of public and private transfers and inter-household income distribution as well as having a residual impact on public poverty. Trade can also exacerbate or mitigate poverty traps. These direct and indirect gendered impacts of trade also affect the three domains of gender equality (capabilities, participation and security) – discussed below – and so may, in themselves, generate their own additional demands for financial and other support for ensuring gender equality.

Employment

Trade liberalisation does increase market access for many exporters. In countries that export labour-intensive manufactured goods, this tends to increase women’s

employment. Much more attention has been paid to gender impacts in these countries than to such impacts in countries that export primary products, where there may be adverse changes in the terms of trade for women versus men. Overall, when trade increases employment, individuals and households have greater resources to finance their economic and social needs and thus generate local processes for engendering equality at household and community levels. If, however, the impact on employment is the reverse, then there will be declining income and increasing reliance on informal sector activities, household production and/or government services. This will be negative for financing gender equality. Of course there are also other issues such as the quality of the employment, its impact on gender segmentation, and gender discrimination in national labour markets.

Income and revenue

The income effect will follow the employment effect as discussed above. Whether or not women gain in terms of autonomy and independence will depend on the nature of household bargaining. Clearly, positive and rising income flows for women generated by trade-led employment will mean less reliance on governmental apparatuses for promoting women's economic empowerment. The positive factor here is that the government, because of the direct flow of taxes and less dependence on it for some services by households, will be able to free up resources to devote to other aspects of enabling gender equality such as legislation around property rights and incentives for childcare credits and the sharing of social reproduction. Additionally, an increased flow of income accruing to the government from trade in the form of rising personal tax flows and increased foreign exchange may also release the effect of the domestic saving constraints and allow the government to do more long-term strategic planning for gender equality and overall economic development.

It is clear that export revenues from increased trade will contribute positively to the financial resource flow. They will bring income to the individual and household, as well as income flow in the form of international reserves to the government, thereby enabling the smooth flow of fiscal and monetary policies. However, there may be offsetting effects for government revenues in the case of tariff reductions and elimination of licensing fees. This is certainly likely in the case of rapid and unbridled import liberalisation. Rao (1999) and Khattry and Rao (2002) found that trade liberalisation has resulted in declining government revenue in developing countries. A study of the impact of this on public expenditure (Khattry, 2003) found that the loss of revenue from trade taxes led to reduced spending on infrastructure, education and health in relation to the level of gross domestic product (GDP). Insofar as loss of tariff revenue results in cuts in social expenditure, women will be disproportionately affected, both as users and providers of social services.

It is important that in undertaking tax reform, which generally tends to accompany trade reform, governments pay careful attention to the social and gender effects of tax reform measures. The tendency thus far in some Commonwealth countries, in their attempts to safeguard total tax revenue, has been to shift towards a more regressive tax

system that emphasises indirect taxes over direct taxes. In a context in which 'women... consume goods and services that benefit family nutrition, health and education, in contrast to men, who direct more of their income to personal consumption items, such indirect taxes can result in gender bias' (UNCTAD, 2004:369). Excise taxes on gasoline, for example, impact on transportation and bus fares and thus have a negative impact on the household budgets of low-income women. Since in general women have lower (and likely fixed) income than men, such taxes may impose a higher burden on women (Huber 2005). As noted by Huber, excise taxes on alcohol and tobacco have a greater impact on men.

Since tax reform has tremendous gender equality implications, which are beyond the scope of this chapter (please see Huber 2005), a gendered approach to tax reform as well as trade reform is a necessary gender equality intervention.

Prices

Import liberalisation in developing countries tends in the short run to make basic household goods cheaper, benefiting poor women who buy these items for their families. But it may also have a negative impact on the livelihoods of women who produce these items for consumption by their families and sell their surpluses in domestic markets (FAO, 2000; Artecona and Cunningham, 2002). In the longer run, it may have costs for both groups of women if export earnings become inadequate to continue to fund imports and/or domestic capacity to produce has been seriously weakened (FAO, 2003). Import liberalisation makes women's responsibilities for the day-to-day provisioning of their households, whether through purchasing or producing, more vulnerable to the vagaries of international markets.

Overall, the gendered impacts of trade policy and trade liberalisation have serious implications for reducing or expanding the financial resources for funding gender equality programmes. On the positive side, by increasing the level of household income and governmental revenues, export expansion will likely yield greater resources for financing such programmes. But if trade expansion and intensification do not have the desired positive effects on employment and income, then there will be less funds available (both at the household and governmental level) to finance gender equality.

Human resource availability

The employment effect of trade expansion can contribute directly to human resources development and indirectly to the lack of available human resources for gender equality. In the first case, trade expansion, if managed appropriately, will allow women and men to gain new skills and develop their talents for entrepreneurship. But there can also be negative employment effects in the import competing sector if the domestic sector cannot maintain or improve market share in the face of intensified foreign competition and hence has to lay off workers or close businesses. Examples from the literature on the effects of non-agricultural market access liberalisation in Africa have shown that in

such cases, women entrepreneurs are the first to feel the ill effects. Many women who lost their business were not able to recover as quickly as their male counterparts, if at all.

Trade can have negative impacts on the availability of human resources to promote gender equality if, in the context of declining trade revenues, governments are unable to fund targeted or non-targeted gender equality interventions – such as, for example, funding more extension workers for outreach to female farmers.

Infrastructural resource availability

In the area of infrastructure development, a pro-trade development agenda can lead to the financing of more roads and other transportation facilities when these are needed to facilitate trade. But it can also detract from wider social development infrastructural oriented projects if the construction of roads, the revitalisation of ports, customs reforms and the administrative changes required to facilitate a new intellectual property rights (IPR) regime consume budgetary resources at the expense of the social sector. For example, when funds are allocated to provide infrastructure for trade or foreign enclave type activities – instead of financing the construction of feeder roads that may be more useful to women and other small farmers or subsidising transportation that could enable women to access employment, markets and social services – this will act as an obstacle to gender equality. The latter type of spending would have enabled girls and women to pursue their daily activities with the least cost and in the shortest possible time, thereby reducing their time burden.

The Specific Impacts of WTO Trade Agreements on the Three Domains of Gender Equality

Capabilities domain: food security, health care and education

To the extent that WTO provisions result in outcomes that increase the nutritional and food status of girls and women, and enable them to have access to affordable quality health care and education, then these trade agreements have a powerful and positive impact on gender equality. Where agreements such as the Agreement on Agriculture (AOA), the General Agreement on Trade in Services (GATS) and the trade-related aspects of intellectual property rights (TRIPS) agreement and other trade provisions impact negatively on these factors, they curtail the development of girls' and women's capabilities. In this part we begin a preliminary analysis of these critical interactions between WTO provisions and the capabilities domain, focusing on the issues of food security and health care.

AOA:² Agricultural liberalisation presents opportunities and challenges for ensuring adequate nutritional support for women and girls and their overall long-term health and wellbeing. Food is being exported to many poor developing countries at prices well below cost. This practice, known as 'dumping', jeopardises the livelihoods of small farmers, and may jeopardise food security in poor countries that are now much more dependent on imported food.³

A recent 14-country study (FAO, 2000) noted that the cost of food imports in all 14 of the developing countries rose significantly (ranging from 30 per cent to 168 per cent) following implementation of the AOA. The increase in the cost of food imports outweighed the benefits of increased export sales, leaving 11 of the 14 countries worse off from a food security (and balance of payments) perspective. Furthermore, when women smallholders produce non-traditional agricultural exports (NTAEs), this may jeopardise their ability to produce crops to feed their families and lead to threats to their food security. Kasente et al. (2002) argue that this is the case in Uganda, for example.

GATS: The impact of GATS on health services is particularly important for gender equality, as it can change the quality, geographic coverage and cost of different types of services, procedures and technologies, as well as the access of different population groups to them (Grown, 2005). There may also be effects on women's unpaid work providing health care to family members and women's paid employment in the services sector as both domestic and migrant workers.

Mode III, concerning commercial presence or foreign direct investment, opens up the provision of health services within a country to foreign firms. This may have the effect of diverting health service staff from the provision of public health services to low-income people to the provision of private health services to high-income people. It is likely that women's access to health services will be reduced and their burdens of unpaid health care intensified if there are no systems for cross-subsidy of services or for poor people to obtain free or subsidised treatment.

In terms of Mode IV, concerning the temporary movement of natural persons, its impact on the society from which they migrate can potentially be disastrous, as it may lead to a shortage of health-care professionals and thus less access to health care, a reduced range of services and lower quality of care.

TRIPS: The TRIPS agreement has important implications for women's health in terms of the impact on the high cost of medicines such as anti-retroviral treatments for controlling HIV. Although the cost of anti-retroviral medicines has fallen dramatically, they are still prohibitively expensive in many developing countries (see Maharaj and Roberts, 2006 for a case study of TRIPS in South Africa).

The equal opportunity domain

Trade expansion is lauded and desirable for its potential to generate employment, increase income and improve the overall welfare in a country. It is therefore important to examine how this plays out in relation to gender equality, specifically with regard to the two aspects of the equal opportunity domain of the gender equality schema: economic assets and political participation.

Economic assets

In terms of economic assets, it is widely acknowledged that trade has an impact on factor incomes, especially the factor that is used most dominantly in exports. Since

women provide the bulk of the labour for traded goods in most Commonwealth countries, it might be expected that there will be an increase in women's income. Thus, trade is also expected to alter the distribution of income and by extension property and other resources. The effects of specific agreements are considered next.

AOA: All small farmers in developing countries are finding it difficult to compete with the better-resourced farmers from developed countries (UNCTAD, 2004:78, 107-108). Women, compared to men, are particularly disadvantaged by a lack of access to credit, agricultural extension services, tools and ownership of land (UN Millennium Project, 2005; FAO, 2002; World Bank, 2001).

AOA provisions on reducing domestic support to agriculture also present particular problems for women farmers, who need assistance from government if they are to overcome the gender-based constraints they face. Traditionally, some developing countries' governments have provided subsidies for credit, fertilisers and irrigation. But with the implementation of trade liberalisation under structural adjustment programmes, many governments have eliminated or reduced these subsidies. As a result, prices for inputs such as fertilisers rose in the 1990s in Africa.⁴ Gladwin (1991) demonstrated the adverse implications of these policies in Cameroon and Malawi for women farmers, who lacked sufficient cash and credit to buy at the higher prices.

Increases in *NTAEs* such as flowers, fruit and vegetables have generated employment for women in many countries in Latin America and sub-Saharan Africa (Bifani-Richard, 1999; UNCTAD, 2004:111-113). Much of this employment is temporary and seasonal on large commercial farms, often exposing women to health hazards through use of pesticides. Permanent jobs tend to go to men.

GATS: Overall, Mode III, concerning commercial presence, opens up the provision of health services within a country to foreign firms. This may increase employment for women health service employees and increase the provision of services to women.

Mode IV, concerning the temporary movement of natural persons, may be welfare-enhancing for many women health-care professionals in poor countries, as it permits them to migrate and provides them with opportunities for higher wages, wider knowledge and skills and experience working with superior health-care facilities. However, few countries at present use Mode IV as a tool for facilitating cross-border migration of health personnel, instead relying on national immigration or health workforce training and recruitment policies (Lipson, 2006).

TRIPS: The *TRIPS* agreement has important implications for women as farmers and as managers of natural resources and family health. Patenting biological materials effectively privatises genetic materials and imposes user fees on materials that were once abundantly available, especially to poor households. Many of these materials are critical for the livelihoods of poor women and men in developing countries (CIDSE, 2002). Such patents can deprive poor people of the fruits of years of inter-generationally acquired knowledge. This has an important gender dimension in many countries where women have a special role in the preservation of seeds. 'Women's traditional knowledge

and skills, and community knowledge... are threatened by the extension of an individualistic, western-based system of IPRs' (ibid:18).

Patents (or other extensions of plant breeders' IPRs) on seed and micro-organisms (such as algae, bacteria and fungi) increase the cost of seed and fertilisers. Increasingly, many of the inputs needed for farming must be obtained in the market. Patents encourage restrictions on the exchange, use or sale of seeds by farmers. This puts resource-poor farmers, many of whom are women, at a severe disadvantage. Given the existing disparities between women's and men's access to cash and credit, which are necessary to purchase fertiliser and seed, the rising expenses of farming induced by the TRIPS agreement are likely to exacerbate existing gender inequalities.

Political participation

In terms of political participation, the trade-related aspects are in terms of (i) women's participation and contribution to trade policy decision-making, including the formulation of trade negotiation mandates; (ii) the gender composition of trade policy ministries and delegations at national, regional and multilateral levels; and (iii) the integration of gender expertise at the highest technical and political level of trade-making apparatuses.

The security domain

The contribution of trade to women's security is multi-pronged. One aspect is the effects of the lack of security (including sexual harassment and rape) in the workplace. Another is the trade-off in budgetary items in making choices between the financing of trade institutions versus securing public safety and social development.

To the extent that trade expansion and intensification generate changes in domestic legislation regarding the operations of the domestic labour market - in terms of opening spaces for women to work at night, travel longer distance to work or even dwell away from home in specially operated export processing zones - trade policy has introduced an added dimension to women's personal security and insecurity. However, if policy-makers devise complementary and offsetting mechanisms that improve the public space for women to operate in, even if this is initially driven by demands emanating from the trade sectors, and as long as there are positive spill-over effects that reduce the gendered impacts of violence and conflicts against women, then trade liberalisation will contribute to women's personal security.

If these extra-security dimensions around women's employment in the trade sector are left unattended, then trade will further exacerbate the impact of violence against woman. There is also the dark side of the expansion of women's employment in the trade sector, which is that with women as the preferred or desired labour force, poor and unskilled men are left out of the equation or may even become displaced by women workers. This can translate into increased violence against women. Hence attention must also be paid by policy-makers to this aspect.

Ultimately, the expectation is that trade will provide income for women that enables them and their families to live a more secure and comfortable life or otherwise renegotiate their status in the household and the community.

Exploring the Financial Impacts of WTO and Other Trade Arrangements on Financial and Gender Equality

The starting point of any attempt to specify the exact channels and pathways through which the MTS influences and impacts on financing for gender equality programmes is to identify how and in what ways the negotiation and implementation of WTO trade agreements as well as RTAs lead to leakages and/or injections of funds from/to the current spending stream from which governments support gender equality intervention measures. Second, gender advocates and government decision-makers should pay attention to the development of measures and mechanisms to offset or mitigate the leakages identified. Third, emphasis should be placed on seeking ways and means to ensure that WTO and RTA activities could potentially stimulate new programme areas that will promote gender equality.

In terms of the leakage-injections approach, attention should focus on clarifying and quantifying, where possible, the areas of expenditure on trade implementation as well as areas that could potentially have a negative impact on women's equal opportunities. This would include gender analysis of (i) trade facilitation and customs reform, (ii) government procurement and (iii) TRIPS and investment plus provisions in RTAs. On the potential inflow of funds or injection side, clear channels include a gender perspective on the flow of remittances under GATS, market access-driven trade-related capacity building and technical assistance, and Aid for Trade. The remainder of this section explores the latter two channels.

Market access-driven trade-related capacity building and technical assistance

The key aim of trade negotiation dynamics is to reduce or eliminate market access barriers. As a result, market access has seemingly become the holy grail of trade negotiations. However, trade negotiations and institutions such as the World Bank, the IMF and the WTO have increasingly acknowledged that market access is not a panacea in and of itself. Market access needs to be balanced with 'market entry' and 'trade readiness'. This is especially so for those developing countries that are experiencing systematic and persistent supply-side constraints. These are issues that have dominated in the area of trade-related capacity building (TRCB), which tends to focus on micro-level support and institutional interventions. (They are also a key aspect of the Aid for Trade discussions emerging from the recent Hong Kong Ministerial – see below.)

Since TRCB programmes tend to operate at the enterprise and institutional level, these would seem to be one aspect of trade that has great synergy with gender mainstreaming and wide scope for the integration of gender considerations. However, to date this has

not been the case. With the exception of the Canadian International Development Agency (CIDA), which has developed a framework for engendering TRCB, there has not been much focused national or regional attention on ensuring the gender equality dimensions of trade development or trade readiness (see CIDA, 2003).

TRCB that is supportive of gender equality interventions would proactively examine the challenges and constraints that small and medium-sized enterprises (SMEs) and other women-owned businesses face with regard to market entry and trade readiness. Critical questions to be posed include:

- What kinds of trade readiness or capacity-building programmes and projects are needed for women-owned and operated businesses versus for male-owned businesses related to particular areas of export supply services, export training, capital upgrading, product upgrade, access to credit, access to export market (export market requirements) and the building of product niche?
- Who are the normal targets of TRCB and technical assistance? To what extent are the needs, priorities and concerns of micro, SMEs and women entrepreneurs taken into account into the design, planning and implementation of TRCB projects and programmes?

Many of the key considerations of market access that are problematic for SMEs and smallholders in the agricultural sector – such as physical infrastructure (road, ports and railways) and access to information and communications technologies – have their own distinct gender dimensions that need to be specifically targeted and addressed within the context of TRCB planning. Women and poor minority businesses operating in the export and import competing sectors have a greater need for accessing many of the softer elements of market access and market entry such as incentives, tricks of the trade with regulations and assistance with the costs of information and communications as well as dealing with global supply chains and product development. Programmes geared to providing export training, building and maintaining trading networks and assisting with capital upgrading, technical regulations and standards for specific export markets – if tailored with adequate gender sensitivity – can prove highly beneficial to women economic actors.

AID for Trade

The adjustment costs of trade liberalisation, whether under the AOA, TRIPS, GATS or other WTO provisions, have been a source of high tension in multilateral trade negotiations. The resulting impacts of these costs on development, as well as on social and gender equity, have also been sources of concern for those working for poverty eradication, women's economic empowerment and gender equality. As a result, over the last ten years there has been increasing attention to the need for additional financing for trade and trade-related development.

Initially, this discussion took place within the multilateral financial institutions as well as among the regional development banks.⁵ Increasingly, under the rubric of the

multilateral trade negotiations – and especially with regard to the Doha Round – there has been heightened attention placed on Aid for Trade (AfT) as a mechanism for redistribution and compensation. Though AfT is not new⁶ to the trade adjustment debate, it was given political and policy prominence in the WTO Doha trade negotiation round with its inclusion in paragraph 57 of the Hong Kong Ministerial, which noted that it ‘should aim to help developing countries, particularly [least developed countries] LDCs, to build the supply-side capacity and trade-related infrastructure that they need to assist them to implement and benefit from WTO Agreements and more broadly to expand their trade’.⁷

The Hong Kong Ministerial, which also called for a taskforce on AfT in the context of the WTO, enjoined on trade negotiators the need to ensure AfT for developing countries in order to help them more effectively realise and benefit from any gains from trade. It recognised that this could only be accomplished if developing countries (a) increase their export of goods and services and thereby are better able to utilise market access and (b) have access to support for adjustment issues in implementing trade reforms arising from WTO trade agreements. It must be noted that it is generally recognised that AfT should be seen as a complement to Doha and not a linked outcome of the negotiations. However, there remains some debate around this issue (see Iorio, 2006).

AfT is relevant to the discussion of women’s economic empowerment and gender and trade because of its wide scope, covering issues ranging from trade policy and regulation, trade development and trade-related infrastructure to trade-related adjustment. Gains to women will depend on where the weight of the discussion and funding lands between the tug of war over whether AfT should be more adjustment oriented (dealing with balance of payment problems and revenue loss from trade liberalisation) or trade enhancing (dealing with demand-side and supply-side issues).⁸

In the area of trade policy and regulation, women in their multiple roles as workers, community and household caretakers and business actors are affected by reforms of trade policy and trade regulation arriving from trade-offs, trade disputes and institutional and technical support that aims to facilitate the implementation of trade agreements. Women business owners, who usually are under-capitalised and have less access to finance and credit than their male counterparts, must grapple with the day-to-day reality of complying with rules and standards emanating from changing trade policy and trade regulation. Likewise, women and men workers in the import competing sectors are also differently affected by trade rules that liberalise these sectors.

In the area of trade and development, women’s businesses are also affected by investment and trade promotion that determine the flow of project funding and technical assistance. Most often they are the least serviced, if at all. Thus there is a need to tailor programmes and projects focused on investment expansion or deepening to the key critical needs of women-owned micro and SMEs. Women may also require highly differentiated business support services that are specifically targeted to meet their priorities and concerns. Women entrepreneurs who are involved with the export sector or who are contemplating future involvement in this sector may also require particular attention in the area of trade finance, trade promotion and market analysis and development.

As has been noted by Elson, Evers and Gideon (1997), women may also be differently affected by the design and development of physical infrastructure such as roads and ports that would be part of the dynamics of any trade-related infrastructure under AfT. The kinds of infrastructure that receive priority attention and support – whether it is feeder roads or simply main roads – are critical to the survival and expansion of women entrepreneurs and small farmers in ensuring access to market and their ability to be independent of middlemen; it may also lessen their dependency on less remunerative farm-gate pricing structures.

The importance of gender in AfT was flagged in the report of the Aid for Trade Task Force (under section F).⁹ This indicated that gender should be a concern in all aspects of AfT including ‘trade-related adjustment’ and ‘other trade-related needs’, but especially those programmes and projects aimed at building the ‘supply side capacity’ and the ‘human resource availability of developing countries’ (AfT Task Force Report). While the report did not undertake a wide or deep discussion on gender issues, these issues must be advocated for as paramount to policies and programmes for poverty eradication, development and gender equality. This is particularly so in a ‘... discourse on the link between the multilateral trade regime negotiations and Aid for Trade [which] puts *Trade* at the centre of growth promotion and poverty reduction strategies at the national, regional and multilateral level’ (Isodor, 2006).

Conclusions and Recommendations

As stated at the beginning of this chapter, the international community has made a commitment to gender equality as an essential core plank in implementing human rights. Through mechanisms of platform for actions, conventions and treaties (for example, the Beijing Platform for Action and the Convention on the Elimination of All Forms of Discrimination against Women), governments and the whole UN and related systems, including the IMF and the World Bank, have committed to gender equality. The UN applied agencies such as FAO, UNDP and WHO have invested tremendous financial, human, research and programmatic resources to enabling the process of gender equality and the empowerment of women in developing countries.

However, this effort can easily be undermined by current approach to macroeconomic and trade policies. These policies underlie the taxation and spending programmes and policies that are necessary for successful gender mainstreaming. Trade liberalisation and the trade agreements that enforce its implementation worldwide have become the centrepiece of both development and macro policies. This has been formalised by a series of coherence agreements between the WTO and the IMF, on the one hand, and the WTO and the World Bank on the other.

Thus there is an urgent imperative to engender trade agreements and policies so that these contribute positively to the goal of gender equality and women’s economic and social empowerment. This imperative requires careful attention to the broad and specific dictates of trade agreements and their direct and indirect impacts on domestic regulatory frameworks, the quality of employment creation and working condition, as

well as the impacts on wage inequality, occupational segregation and social protection. This is necessary both for the export promotion aspects of trade reform and policy as well as for the import liberalisation aspects of trade agreements and the policy reform they bring about. Engendering trade agreements and policies will require fleshing out the tentative framework set out above and exploring language and commitments in trade provisions that will expand on the positive impacts while mitigating and/or eliminating those that have a negative impact for women and girls as well as for overall poverty eradication.

Ultimately, trade negotiation mandates and trade policy reform frameworks must be grounded in and committed to gender-sensitive approaches to poverty reduction and social development.

Recommendations

Specific recommendations therefore are that:

- Each country should develop a framework for engendering its trade-related capacity building and Aid for Trade programmes.
- Trade diagnostic studies focusing on promoting trade readiness and market entry should include gender analysis and pay specific attention to the needs of women-owned SMEs as well as to the sectors in the economy most likely to be adversely affected by changing trade policy.
- Trade negotiation mandates should proactively include a gender-sensitive framework for each of the sectoral areas under negotiation.
- Gender-sensitive flanking measures should be introduced to deal with the negative outcomes of trade reform underlying the implementation of trade agreements.

Notes

1. This section draws heavily on UN Millennium Project, 2005.
2. The AOA excludes fish, fish products and forest products (i.e. timber). Other agricultural-related WTO agreements, such as Sanitary and Phytosanitary Agreements (SPS), cover all agricultural products.
3. Levels of dumping hover around 40 per cent for wheat, between 25 and 30 per cent for corn (maize) and have risen steadily for soybeans, to nearly 30 per cent. This means that wheat, for example, is selling for 40 per cent less than it costs to produce. For cotton the level of dumping for 2001 rose to a remarkable 57 per cent and for rice it has stabilised at around 20 per cent (IATP, 2004:2, cited in Hernandez, 2005).
4. Currency devaluation may also contribute to the rise in input prices. For example, in Malawi the final removal of all fertiliser subsidies in 1995/96, coupled with a 100 per cent devaluation of the kwacha in 1994, meant a 200 to 300 per cent increase in the price of fertiliser without corresponding increases in maize prices in 1995/96 and 1996/97 (Benson, 1997).
5. See, for example, the IMF's trade integrating mechanism and the World Bank's involvement in the integrated framework, a multiple donor programme involving the IMF, the World Bank,

UNCTAD, the International Trade Centre, the WTO and UNDP to assist least developed countries to increase their participation in the global economy. The G8, Gleneagles (September 2005) meeting mandated the IMF and the World Bank to develop proposals on AfT.

6. 'What is new is the linkage between aid for trade and the multilateral trade regime, the development emphasis and the Doha Development Agenda (DDA), and recognition by donor community that trade should be actively used as an instrument of development policy to accelerate growth and reduce poverty' Zambia on behalf of LDC Group, cited in Iorio, 2006.
7. AfT is not a politically neutral issue. Its arrival as a centrepiece on the Doha negotiation table is in part due to the persistent problem of lack of gains and rising cost of trade liberalisation for many developing countries, especially the poorest groups of countries. It can be seen as 'a redistribution mechanism through which the reality of the unbalanced outcomes can be squared with the rhetoric of the (Doha) development round and thereby' aim to potentially bring fairness into the negotiations (paraphrased from the work of Stiglitz and Charlton, 2006, cited in Ghosh, 2006:3).
8. This essay focuses on supply-side issues, given the concern with women's economic advancement, but in terms of strategic gender issues the demand-side issues of who gets training and skills to undertake trade negotiations and technical assistance for trade diagnostic studies, which are important for issues of growth and human development, are also of vital concern. In addition, though there is no space to discuss the various political ramifications of AfT, the discussion on gender needs to be grounded in the reality of the political nature of AfT, including the subsuming of large parts of aid flows to trade issues (and trade-related conditionalities) at the potential costs of other development issues. Other areas to be mindful of include where the money will come from – is it in addition to and hence complementary to current aid flows or will there be redirection of this flow? Will the flows be primarily grant or concession or will they contribute to further indebtedness by developing countries? And, lastly, what will be the targeted areas of intervention: primarily with the so-called 'hardware of trade (infrastructural support, etc) or with the 'software' aspects of studies, training etc?
9. The Aid for Trade Task Force, which was established in February 2006 with a mandate to discuss how AfT 'might contribute most effectively to the development dimension of the Doha Development Agenda' tabled its final (nine pages) recommendations to the WTO General Council July 27-28, 2006. The report was endorsed by the General Council in its 10 October 2006 meeting.

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