

1 Introduction to Part One

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Trade agreements and gender

The work of gender advocates has shown that power imbalances based on gender influence the distribution of output, work, income and wealth in the economy. Gender norms and cultural gender biases influence the behaviour of economic agents, affecting their ability to respond to market signals such as price changes that come with adjustments in measures such as tariff reductions. Therefore, it is important to understand the gender dynamics at play in each country and how women and men are affected by the design, implementation and outcomes of trade policy. This is also critical to our understanding of, and approach to, the role of trade in the national and global economy. Ultimately, as argued by Çağatay (2003), gender relations are not something outside the economy in some realm of ‘preferences’, ‘aptitudes’ and ‘traditions’; they are continually being reformulated and permeate all economic decision-making and activities.

Gender advocates have therefore increasingly and convincingly insisted on a much more complex and nuanced review of the issues. Such an approach seeks to shift the focus from simply looking at the flow of goods and services to paying greater attention to the links between trade and the spheres of production and reproduction – ‘the care and development of people and their capacity to work’ (Çağatay, 2003). Focusing on these linkages opens up the issues of the division of labour in society between women and men, paid and unpaid work and its contribution to the market, access to resources, intra household distribution of income and resources, and the conditions under which male and female entrepreneurs conduct their businesses. It also explicitly allows for an examination of the informal and household economies, and the contribution of these to trade, growth and sustainable development.

Many of the factors affecting women’s overall empowerment and control over economic and financial resources relative to men, including microfinance, are well known. These include: gender inequality around differential access to social and physical goods; gender gaps in education, income, time use and leisure; and gender-differentiated roles and responsibilities in the household, community and labour markets. In the literature discussing the Millennium Development Goals (MDGs), these factors are clustered in

terms of their implications for women's capabilities, access to resources, opportunities and security. Empirical research has also located these gender-differentiated dynamics across a broad range of human social and economic activities, including agriculture, services, manufacturing, water and energy distribution and use, transportation and disaster management.

At the sectoral level, agricultural liberalisation has implications for women's and men's access to food (food security), livelihoods and rural development. Services liberalisation affects access to water, health care and electricity, which are essential for social reproduction. The agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) affects access to affordable medicines, genetic resources and technologies that are critical for women's and men's health, functioning and capabilities. TRIPS also has implications for the ownership, production, transfer and protection of indigenous, traditional and community-based knowledge, which is critical to both the overall economic and social empowerment of women and men, as well as for long-term economic development.

Part one of this book seeks to explore the short- and long-term effects on gender equality objectives and on women's and men's economic and social empowerment of changes in sectoral and national trade policy that have been generated by bilateral, regional, inter-regional, plurilateral or multi-lateral negotiations. Ten case studies covering a variety of Commonwealth developing countries are presented. Each study explores changes in the trade environment on a particular sector or through a particular trade provision, such as the agreements on agriculture, services or non-agricultural market access.

The case studies are not original; they are drawn from the available literature in the public domain. Some are from long and comprehensive country studies, while others are compiled from a number of short and targeted sectoral studies. In each case, the contributor has sought to fine-tune and pinpoint, as clearly as possible, the specific gender dimensions by tracing out the differential impacts on women and men. Each contributor has sought to update the case study as much as possible to explore actions taken to assist and promote the economic empowerment of women. Attempts have also been made, as far as possible, to impose a uniform format, but some case studies vary because of the data available for the sector or country.

Organisation of the studies

The case studies are arranged in four broad groupings that attempt to isolate the different types of trade regulation and trade development in use in the current policy environment.

The first group highlights the issue of import liberalisation, primarily through the reduction of tariffs, on developing countries. In ‘A Bitter Pill to Swallow: The Effects of Tariff Reductions on Sugar in Kenya’, Yves Conze and Mariama Williams examine the issue of the liberalisation of imports in the agricultural sector by highlighting the unintended consequences of changes in Kenya’s tariff level and structure on its sugar industry. The second case study, ‘Profits Fly the Coop: Gender Impacts of Trade Liberalisation on the Jamaican Poultry Industry’ by Carol Narcisse, draws heavily on a much wider and more comprehensive study, *Gender Analysis of Liberalization in the Jamaican Economy* by Women’s Edge Coalition (Wyss and Whyte, 2004), to highlight the pervasive impacts of liberalisation in the poultry industry on food security, livelihood and rural development in Jamaica.

The second group of case studies examines the issue of preferences gained or lost. The four studies show in dramatic ways what can happen when protection on a commodity is withdrawn, making it open to competition from all comers. ‘Can it be Mended? Kenya and the MFA Phase-out’ by Paul Kamau and ‘Knitting it Together: India and the MFA Phase-out’ by Pramod Dev explore the impacts in Kenya and India respectively of the phase-out of the Multifibre Arrangement, which was subject to a ten-year phase-out of import quotas on textiles and apparel between January 1995 and January 2005 under the WTO Agreement on Textiles and Clothing (ATC). In Kenya, this led to widespread downsizing by firms and consequent lay-offs and casualisation of labour contracts. India, on the other hand, had a significant percentage share in the global textiles and clothing trade, a well-developed value chain and strong domestic markets. Indian firms were, therefore, much better able to stand up to full competition. Initially, the country even experienced some acceleration in growth; and although over time it experienced some downturn, this did not have the same devastating effects as in Kenya. However, women in both countries experienced a similar decline in their welfare, as firms attempted to deal with the new competitive environment by laying off workers and casualising labour.

‘A Stitch in Time? AGOA and Lesotho’s Clothing Sector’, compiled by Mariama Williams and Marilyn Carr, highlights the case of Lesotho, where losses in the textiles sector due to the MFA phase-out were offset by the granting of preference under the African Growth and Opportunity Act (AGOA). Initially, AGOA seemed to have a dynamic effect on Lesotho’s garment industry. However, changes in AGOA regulations in 2007 required manufacturers to source their raw material fabric inputs from the USA or AGOA countries. The authors explore what the impacts of this have been for women workers in the jeans sector.

‘Slipping on a Peel: The Effects of Changing Trade Regimes on the St

Lucia Banana Industry’ by Carol Narcisse explores the impact of the loss of unilateral preference on a product, bananas, that is central to economic activity and income generation. This loss is due to the reconstruction of European Union (EU) historical preference schemes to African, Caribbean and Pacific (ACP) countries as a result of new multilateral trade rules and a trade policy environment governed by reciprocity. For the small developing island of St Lucia, the growth and trading of bananas was a critical pathway for poverty eradication, as well as the economic advancement of women, and the loss of preferred access to EU markets proved to be devastating on both fronts.

Trade in services has only recently been brought under the scrutiny of multilateral trade discipline through the General Agreement on Trade in Services (GATS). The third group of case studies explores the issue of services liberalisation. Such services are as varied as health care, education, banking and information technology. While cross-border trade in traditional products (e.g. apples or cars) are regulated by price and non-price mechanisms, service liberalisation is not so much focused on tariff and non-tariff barriers; rather, it emphasises the dismantling of domestic regulations and elimination of prohibitions on foreign service providers. Such restraints on cross-border trade in services may include artificial barriers to entry and exit, rules that discriminate against foreign operators and occupational licences.

The two case studies presented here explore the gender impacts of two quite different aspects of services. ‘Moving Forwards, Falling Backwards: GATS and the Migration of Skilled Professionals from the Caribbean’ by Carol Narcisse draws attention to the temporary movement of nurses and teachers, primarily from poor countries to richer ones. While this may have certain advantages for both the worker who migrates and the receiving economy, in as much as it may lead to a higher income and economic advancement for the former and better health-care services for citizens of the latter, it generally means a vital loss in professional services in health care and education for the women, men and children left at home. While this case study puts the spotlight on the Caribbean, it also makes references to Africa and Asia, which experience similar dynamics.

‘Digitalising It: Women and Trade in ICT in Developing Countries’ by Mariama Williams and Carol Narcisse spotlights how the liberalisation of trade in information and communications technology (ICT) affects women. Aspects of this growing area are currently covered under the GATS, but for the most part the provision of interest is the plurilateral agreement on information technology (IT), which is only applicable to its signatories. It is also clearly linked to the TRIPS agreement. At the same time, most developing countries are in some process of liberalisation of their telecommunications

and other ICT sectors, because many of them are parties to bilateral and regional trading arrangements. ICT has the potential to accelerate growth in developing countries. It can also be a tool for the rapid empowerment of women, in situations where women are able to gain access to and control over the many widely proliferating ICT products. But, as the case study shows, this potential progress can be stymied by the nature and scope of ICT rules and regulations put in place locally and nationally, even though these are proscribed by multilateral and regional liberalisation processes.

The fourth and final group of case studies attempts to grapple with the complicated and controversial areas of trade-related health and safety regulations and their impact on female and male workers and entrepreneurs in developing countries. Both studies focus on the impact of the EU ban on the export of fish products – one from the Asian and the other from the African point of view. ‘Packaged to Perfection: The SPS Agreement and Aquaculture in Bangladesh’ by Marilyn Carr and Sanae Ito puts the spotlight on the gendered impact of sanitary and phytosanitary (SPS) regulations on the Bangladesh shrimp sector, which faced an EU SPS-inspired ban in 1997. This had implications for the poverty reduction strategy in the country, as it tended to force a trade-off between two types of fish farming production techniques that had quite different export growth and poverty reduction potential. SPS and other non-tariff barriers impose a heavy direct cost (in terms of lost revenue in the case of an outright ban on exports) and further costs involved in upgrading and implementing new standards of food and related safety protocol such as Hazard Analysis and Critical Control Point (HACCP).

Like Bangladesh, Uganda also faced a ban on exports of fish to the EU. In ‘Sitting on the Docks: The SPS Agreement and the Fish Industry in Uganda’, May Sengendo tries to unravel the impact on women of the three bans placed on the industry between 1997 and 2000. These resulted in the closure of many domestic enterprises in fishery and related sectors and the loss of many jobs for the poor women and men they employed, with long-term implications for poverty eradication and women’s empowerment.

The lessons that are drawn from these case studies aim to provide guidance to policy-makers and development practitioners on the sort of mitigating and compensatory actions that are necessary in order to lessen the negative impacts of changes in trade policy regimes or instruments, mechanisms and processes on women’s employment, entrepreneurship, and informal and household sector activities. The lessons also highlight pathways for enhancing the positive benefits of trade intensification on women’s overall economic and social empowerment.

References

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Import Liberalisation

