

12 Lessons Learned from Part One

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There is a positive relationship in developing countries between women's involvement in the economy, their contribution to the competitive dynamics of trade, and the growth and development of these countries. However, as the cases studies in this section show, it is unclear that the same positive relationship holds between trade performance and women's overall economic and social empowerment. In general it would seem that trade intensification is quite beneficial to women. It creates employment that can improve their situation. However, increased trade and women's employment on their own do not vitiate the persistence of gender inequalities and gender gaps with regard to access to and control over tangible and intangible resources. As noted by Litho (2007), in many African countries 'on the contrary, women's social position in society has not changed much. Women's economic position may have improved slightly, but they remain culturally constrained.' These inequalities and gaps tend to work to the disadvantage of women as a group relative to men as a group. Their existence and persistence also help explain why negative shifts in trade patterns and policies and overall trade liberalisation-reform tend to affect women more than men.

While trade liberalisation does not create structural gender inequalities, the trade reform that it engenders can affect – for better or worse – conditions in the labour market, relative prices for products, and resources and government revenues. Thus it can lead to increased or decreased employment and livelihoods, higher or lower prices for inputs, and investments or cuts in government social expenditures. All of this may affect women more than men.

The case studies also illustrate in different country contexts and across different sectors that while in one period trade expansion can lead to benefits, in another period, as a result of changes in trade policy, there can be a contraction of economic activity that suddenly reverses most of the previous gains. In many cases, this reversal leaves women and men worse off than they were before the onset of trade expansion. It is therefore important to review and reflect on these examples to pinpoint what lessons can be drawn. Can they provide guidance to policy-makers and development practitioners? Is there a set of universal mitigating and compensatory actions that could lessen the negative impacts of changes in trade policy regimes or mechanisms and processes on women's employment and entrepreneurship and on their informal and household sector activities? What are the mechanisms and measures

that will enhance the positive benefits of trade intensification on women's overall economic and social empowerment?

A number of broad overarching principles or guidelines can be drawn from the case studies that emanate from the challenges and contradictions around gender, trade and development. There are also a number of interventions that can be undertaken, relevant to the four broad groupings around which the studies are clustered.

Principles and guidelines

Promoting women's empowerment

Women's empowerment must be a key pillar of any trade and development strategy. Each of the case studies shows that trade expansion on its own does not generate sustained improvement in women's overall situation. At best, there are marginal improvements in their economic and social status. Proactive policies and programmes are needed at national and local levels that seek to address issues of structural inequality between women and men. Given the shifting nature of international trade patterns, there are ups and downs in employment gains. One sector grows, employing women and men, then peaks and declines. Women lose income, poverty increases and the overall situation worsens for women and their families.

Both the Kenyan and the St Lucian case studies graphically illustrate the fragility of trade dependence. In both cases women seemed to achieve a high level of functioning and ability to command resources when trade was booming. But as trade declined in the sugar and banana sectors respectively, women's livelihoods became increasingly precarious. Some women were left in much the same situation as they had been before. Others, who had given up their food subsistence economy for the cash crop opportunity, were now in a food deficit situation. To avoid such situations, women need to be empowered through access to education, services, land and credit.

Investing in women

Maximising sustained gains from trade expansion and trade reform necessitates investing in women and girls. This means devoting money and resources to the factors that affect their capabilities, access to resources and security in all areas and aspects of their lives and lifecycles. Investing in women means spending on health, education and essential services that are critical for social reproduction and household production.

Focusing on poverty eradication

Trade strategies must evolve from a better understanding of poverty dynamics in the economy and how trade and poverty are interrelated. For African countries such as Kenya and Uganda and small island nations such as Jamaica and St Lucia, this is extremely important in order to ensure sustainable development in the agriculture and natural resource sectors. Attempts to increase trade must go beyond the search for market access – i.e. provisions for the access of goods and services across national borders on a non-discriminatory basis – to focus attention on the factors critical for raising productivity and revitalising agriculture, which remains the backbone of all the economies reviewed in these case studies. These factors are all intimately linked to poverty and gender gaps and biases. Poverty is linked to people’s nutritional and health status, both of which are important for ensuring a stable and reliable workforce and raising productivity. If there is not an adequate level of social development in terms of basic infrastructure and access to health care and education for women and men, then adverse changes in trade at best reinforce or at worst exacerbate poverty.

Infusing trade policy with a gender-sensitive social mandate

The design, negotiation and ultimate implementation of trade policies and agreements have serious implications for all areas of women’s and men’s daily lives. These may differ depending on the economic background of the country, the nature and sequencing of the changes in trade and economic policy measures, and the nature and scope of the pre-existing social and cultural situation and location of women and men in the economy.

Trade reform must be more broadly viewed to take into consideration social, gender, human development and other concerns. Effective trade reform must be developed as a process that goes well beyond narrow economic concerns with changes in tariff levels and bindings. To be holistic, trade reform should be grounded in a comprehensive view of and a concern with how its mechanisms and modalities affect the pattern of resource allocation and other policy parameters (fiscal and social) and shape the behaviours and values that influence the opportunities and constraints of different groups in the economy. Given the contrary and often contradictory impacts of liberalisation-induced trade reform, very careful attention must be paid to how trade policy measures are reformed and fine-tuned.

Promoting environmentally friendly trade

While promoting trade and seeking foreign exchange, governments must be

mindful also of the need to promote the conservation and protection of natural resources. Five of the case studies show, to different degrees, that export-led growth and/or trade liberalisation tend to have a negative effect on the environment and questionable implications for the long-term sustainability of natural resources. Deteriorating air and water quality has implications for the health of women and men, as well as particular implications for women's time burden and overall welfare. This compromises women's role in food and agricultural management, as well as potentially affecting productivity in domestic and export production. There is an important lesson to be learned about the need to situate trade policy within the context of environmental sustainability and natural resources management. This points to the fact that governments must be cautious about the further liberalisation of trade in natural resources such as forest products, fish, oil, gas and minerals. They must also not be narrowly focused on market access to the detriment of the very environment that is necessary for the life and livelihoods of their citizens.

While trade liberalisation is not the only causal factors in marine degradation, with environmental and climatic factors also playing a role, shrimp farming for export from Bangladesh is implicated in the destruction of mangrove, increased salinity of inland waters and soil acidification. Shrimp yield is declining and indigenous fish species are being lost. All of these issues significantly affect food security. In Lesotho, the key environmental issue has been the pollution of drinking water by the production of textiles. In Kenya, sugar production has affected soil fertility.

Specific interventions around trade liberalisation

With the exception of the Lesotho and St Lucia studies, which focused on non-reciprocal agreements, all the case studies in this section reinforce the point that market access concessions, which are grounded in reciprocity and embedded in the 'single undertaking' framework, may constrain the flexibility of governments to undertake domestic adjustments that cater to the particular needs of different sectors of the economy. It is therefore important that such negotiations are grounded in, and are extremely responsive to, a gender equality-based, development-centred approach.

A majority of the case studies point to the following as critical ingredients for trade policy negotiations mandates:

- Food security;
- The ability to offer protection to a specific sector identified as critical to poverty reduction;

- The protection of health services and access to other services that are critical for social reproduction and women's overall empowerment.

With this backdrop, specific lessons can be drawn from the four areas of import liberalisation, preference gain and loss, service liberalisation and non-tariff trade barriers.

Import liberalisation

In the area of tariff liberalisation, food security and the rural livelihoods of poor women and men farmers do not appear to have been critical criteria in determining commitments. This is clearly the case in Kenya, where the severe contraction in the sugar sector caused dramatic upheavals in the lives of women, men, girls and boys. As the crisis worsened, not only did it increase the debt of families and the overall burden of women, it forced children to go to work in the fields in an attempt to garner some kind of marginal income to help families survive. Due to pre-existing high levels of poverty, small cane-farmers, especially women, were unable to access money to upgrade their operations and become more competitive. More importantly, there was no underlying social safety net or basic infrastructure for women and men to fall back on. So when sugar was no longer providing an adequate living, poverty rose rapidly, causing increased food insecurity, child labour, prostitution and other coping mechanisms.

It is also clear that governments need to act quickly to take measures to protect against rising imports that jeopardise livelihoods in the domestic economy. As noted in the case study of Kenya, WTO agreements provide a specific safeguard for agriculture and three safeguards – anti-dumping, countervailing and emergency safeguards – under the GATT. However, it is difficult for developing countries to take advantage of these for procedural and financial reasons.

In the current Doha Round of WTO negotiations, countries such as Jamaica and Kenya are working hard to secure special safeguard mechanisms that can be used to thwart import surges and price declines in agricultural imports. In the context of WTO Non-Agricultural Market Access (NAMA), the group of developing countries known as NAMA-11²³ are also trying to ensure that any resulting agreement on the liberalisation of industrial tariffs does not result in de-industrialisation.

Preference gain and loss

Loss of quota protection, as experienced by India, Kenya and Lesotho under the phase-out of the Multifibre Arrangement, and loss of preference, experi-

enced by St Lucia with the reform of the relationship between the EU and the ACP countries, can lead to high employment losses and increased poverty. More often than not, these aspects of trade liberalisation lead to ‘an infusion of cheap imports that compete with domestically produced’ items (Williams, 2003). The effects in Kenya, for example, included lay-offs, casualisation of labour contracts and lower wages.

One lesson from this is that governments need to develop social protection strategies that will prevent women, men and families from slipping into poverty when they are affected in this way by trade policies. Education and capacity building are also important. Where countries have focused on a single export crop, governments need to diversify into other areas – for example, in the case of the Caribbean, tourism, information technology and agro-processing (Ahmed, 2001).

Service liberalisation

The main lesson from the case studies on the impact of service liberalisation is that governments must seek, at all times, to ensure the fulfilment of their public health and social mandates. In the case of the migration of nurses and teachers, multiple challenges and contradictions are involved in pursuing liberalisation of the movement of natural persons. On the one hand, it invariably involves loss of human capital that is often developed with taxpayers’ funds and is concomitant with declining health services. From the sending country’s vantage point, this both imperils citizens and puts the government at risk of violating its commitment to ensure human rights in terms of health and education. On the other hand, the same government may benefit in the form of a return flow of international remittances. By allowing citizens to seek better conditions of work overseas, a government is also ensuring their enjoyment of human rights.

Ultimately, for countries in the Caribbean, Africa and Asia which are experiencing increasing flows of professionals abroad, the solution lies in remedying the underlying causes of emigration. These include institutional lack of capacity in terms of professional development, working conditions and remuneration at home. So governments must pay attention to policies that encourage professionals to stay put.

A similar situation exists in the case of ICT, in the sense that it too concerns domestic regulations for service providers. The responsibility for ensuring decent conditions of work and access to affordable services lies with government. The same set of institutional constraints applies to capacity building and must be overcome by proactive policies and the re-alignment of national resources.

In terms of future service liberalisation, governments of developing countries in Africa, Asia and the Pacific should seek to ensure that women workers across all spheres are well protected in terms of wage compensation and benefits when they move as temporary workers to host countries. Thus gender needs to be a catalytic factor in the discussion of Mode IV of the GATS.

Particular attention is also needed to ensure that micro, small and medium-sized enterprises have adequate access to business type visas to facilitate their presence at trade shows, exhibitions and similar cross-border marketing events. In the area of ICT, governments must seek to ensure that service providers are committed to the transfer of technology and joint venture programmes that enhance knowledge and access to ICT so that more women can be actively involved in this cross-border trade. Even if there is currently no local capacity in this area, governments should ensure that they do not make commitments that preclude such options in the future.

Non-tariff trade barriers

The issue of trade-related health and safety regulations and their gendered impact is particularly contentious. Countries have the obligation and the right to protect the health and safety of their citizens. At the same time, unilateral applications of sanitary and phytosanitary measures and technical barriers to trade (TBT) are asymmetric in terms of standard setting and implementation between developing and developed countries. They are also woefully lacking in transparency, may result in trade diversion and have been tainted with protectionism. SPS and TBT requirements are administratively difficult and cost prohibitive for poor developing countries.

As both the Bangladesh and Uganda cases illustrate, a ban based on health and safety requirements can have a costly impact on the workers and economy on which it is imposed. The two case studies indicate that women and men face specific and different challenges in rebounding from lost employment. It is also a big challenge for small and large business entities to secure the necessary financial and technical resources for upgrading their existing facilities, introducing safety requirements and performing risk assessments.

The lessons to be learned are manifold, but two key lessons stand out. First, governments need to develop compensatory trade adjustment funds at national level to assist women and other small-scale providers in cases where there are SPS challenges. Second, there is a need for social safety nets such as unemployment compensation and temporary work schemes to mitigate the most negative impacts of such events.

Aid for trade and trade-related capacity building

Developing countries' governments should also advocate at an international level for a SPS/TBT trade-related health and safety regulations trust fund that would provide ongoing technical assistance funds for the upgrading of food and related export sector activities. Such a fund could be a specialised fund within the domain of aid for trade (AfT) or trade-related capacity building (TRCB) mechanisms and processes that had already been established. Within the scope of the ban, there should be an emergency window for cases where it affects vulnerable populations such as women and those who are food insecure. Developed country members imposing the ban should put up additional reserves to meet the disbursement needs of the emergency window during the operational period of the ban.

Given the effects of the loss of quota protection or preference, it would seem that both AfT and TRCB are two specific areas of intervention in the trade policy environment that link synergistically with trade and women's empowerment. Many of the key considerations of market access that are problematic for small and medium-sized enterprises and smallholders in the agricultural sector – such as physical infrastructure and access to ICTs – have their own distinct gender dimensions that need to be specifically targeted and addressed within the context of AfT and TRCB planning.

Domestically, market access involves considerations that may apply in terms of:

- Demand conditions and the need to continually improve productivity to meet international competition;
- Physical infrastructure – roads, ports, airports and railways;
- Human (or soft) policy to deal with distortion, regulation, incentives and protection;
- Costs of information, transportation and communication;
- The global supply chain.

Women and poor minority businesses operating in the export and import sectors have a greater need to access many of the softer elements of market access and 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 standards and regulations for

specific export markets, if tailored with adequate gender sensitivity, can prove highly beneficial to women.

AfT is a contentious topic, but it is relevant to the discussion of women's economic empowerment and gender and trade because of its wide scope, which ranges from the issues of trade policy and regulation, trade development and trade-related infrastructure to trade related adjustment. Gender equality should be a central concern in all aspects of AfT, including 'trade-related adjustment' and 'other trade-related needs', but especially in those programmes and projects aimed at building the 'supply side capacity' and the 'human resource availability of developing countries' (AfT Task Force, 2006).

References

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