



Gender and trade within the 2030 Agenda for Sustainable Development

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Trade, Gender and Development Programme

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Prosperity for all



OUTLINE

1. The many facets of inequality
2. Why promote gender equality
3. The trade and gender nexus
 - The first side of the equation: Gender affects trade
 - The other side of the equation: Trade affects gender
4. The new global Framework
 - The 2030 Development Agenda
 - The Addis Ababa Action Agenda



The many facets of inequality: Women...



Are less likely to have a job than men



Work in fewer sectors than men



Earn less than men



Are more likely to be underemployed than men

Spend more time on household work than men
 Represent two-thirds (505 million) of adults who can not read or write (758 million).
 Young women aged 15-24 are making the strongest gains, but still lag behind young men

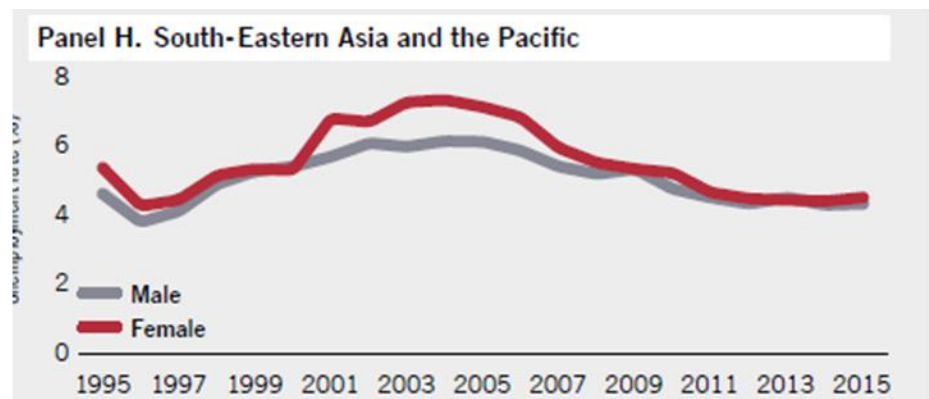
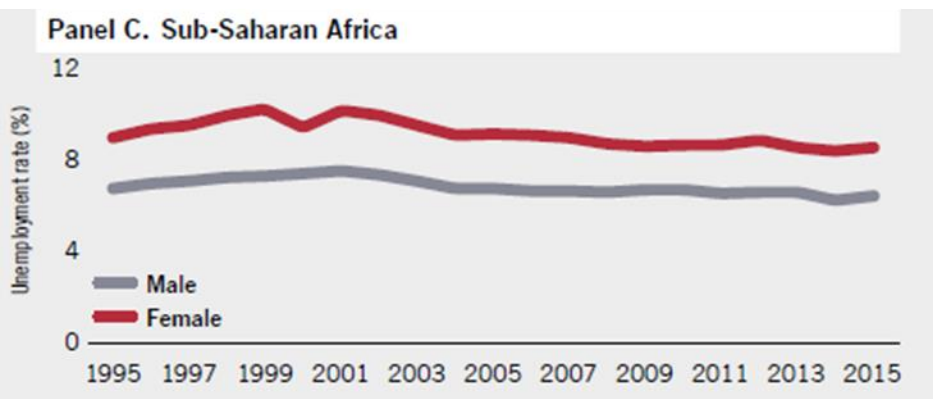
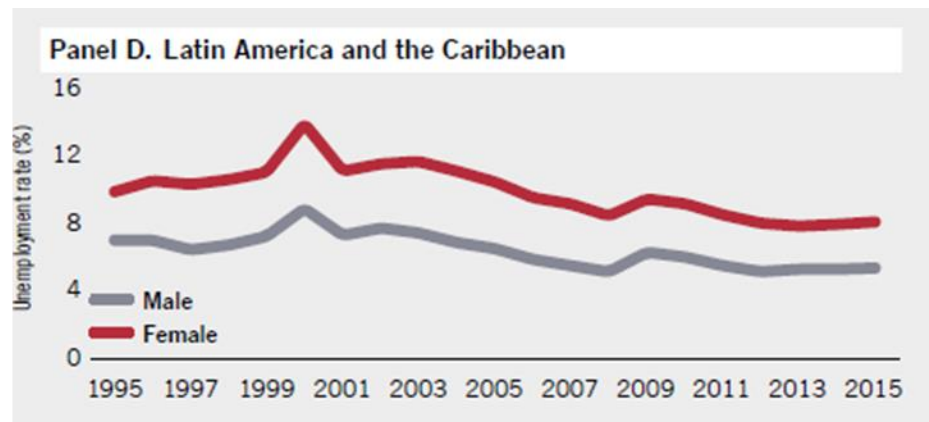
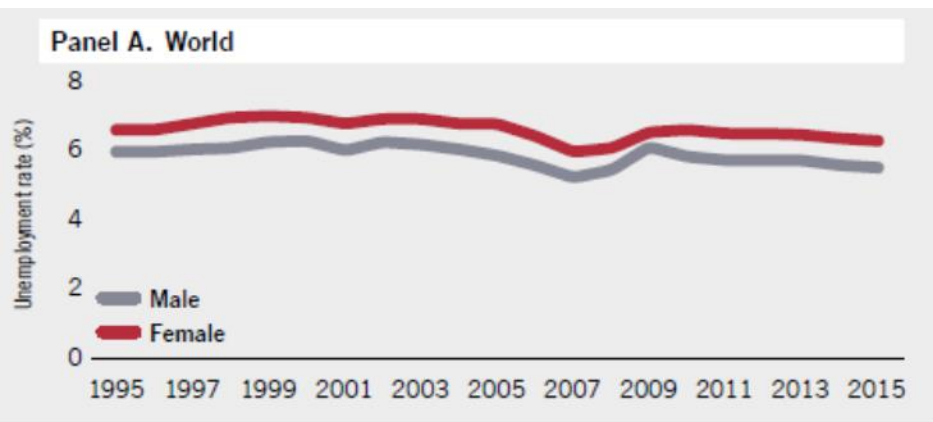
Constitute 22.8% of the members of parliaments

Have restricted rights or no right to own land, to conduct business, or to inherit





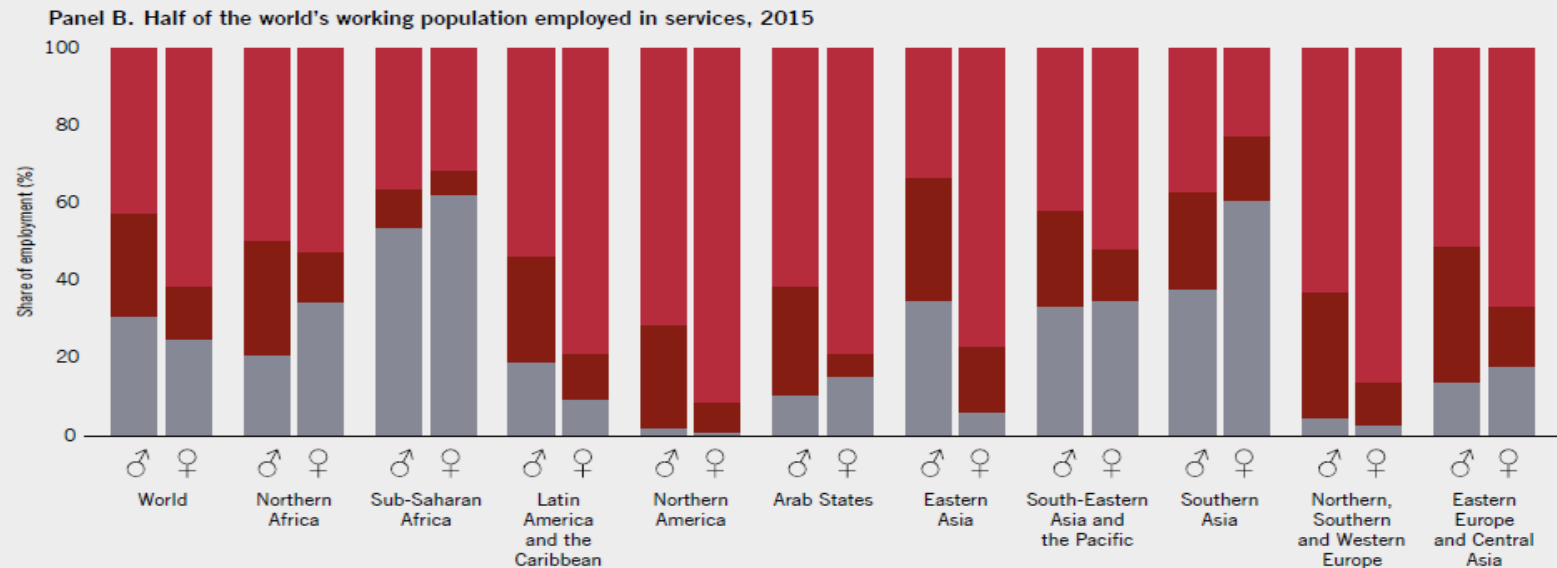
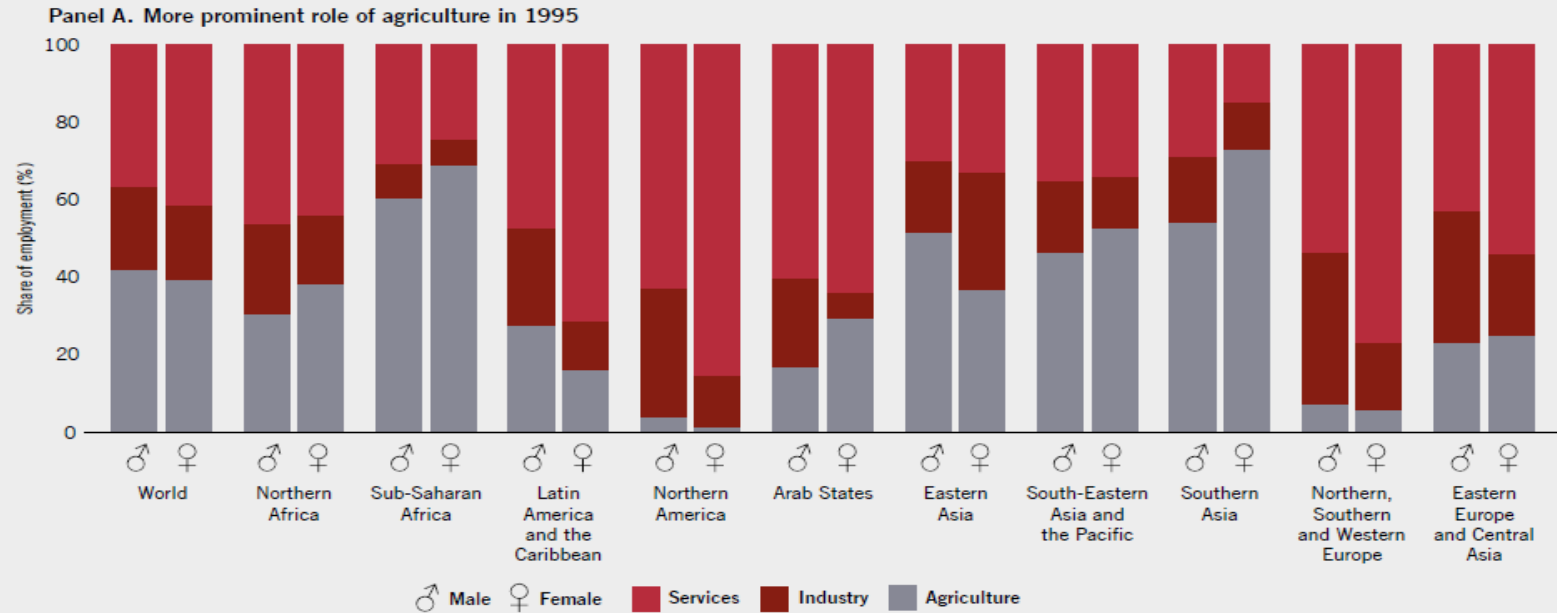
Women are less likely to have a job than men: Unemployment rates by sex and by region



Why? Temporary contracts; educational attainment; labour market segregation; household chores

In Which Sectors Do Women Work?

Figure 13 Employment by sector and by sex, 1995 and 2015



Source: ILO calculations based on ILO, *Trends Econometric Models*, July 2015.



Labour market segregation

Men and women work in different sectors & occupations, often according to social norms

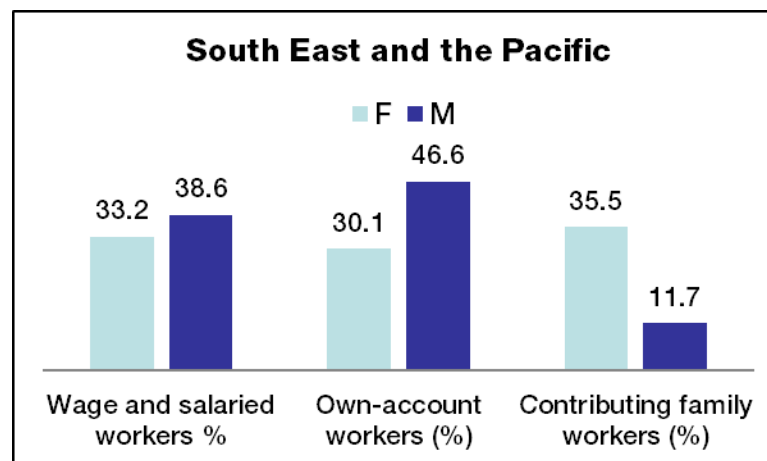
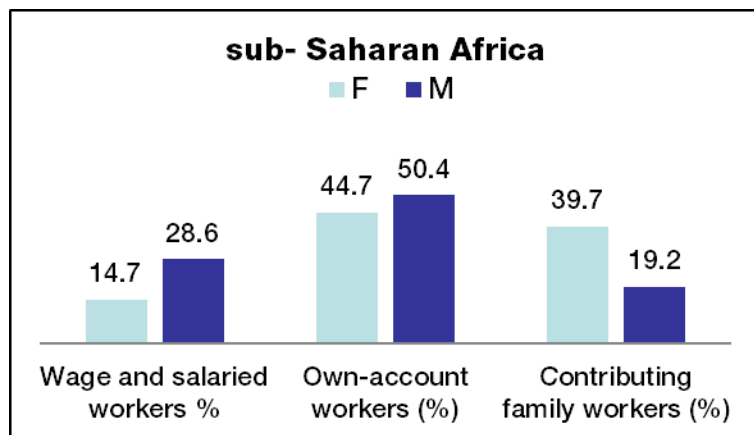
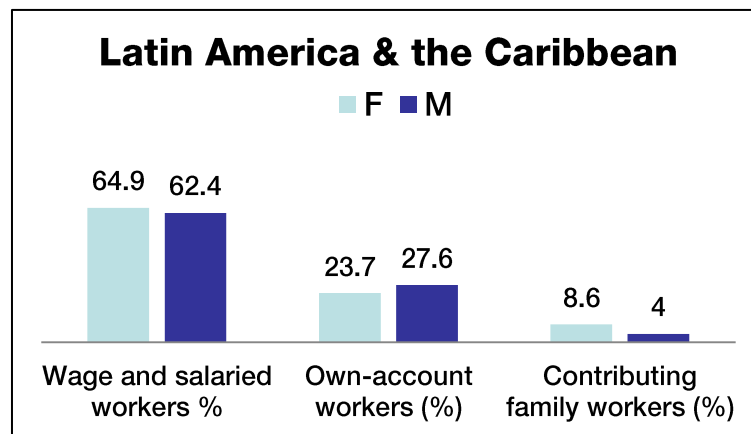
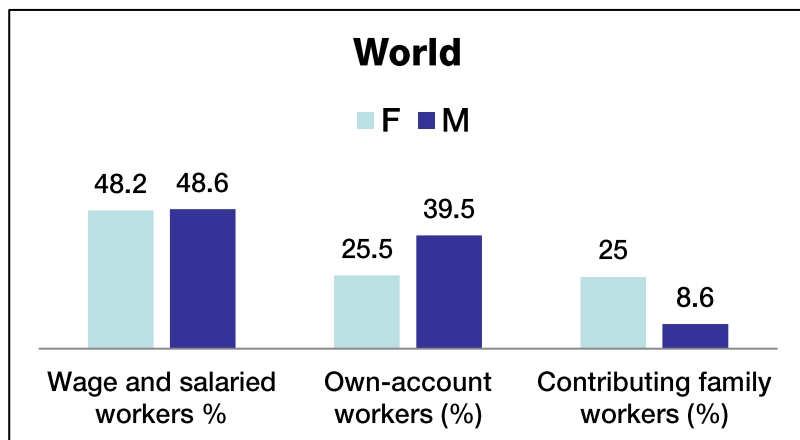
It limits the extent to which women benefit from and can contribute to economic growth

It prevents the efficient allocation of labour with negative consequences for productivity & income distribution

It contributes significantly to gender wage gaps

It reduces the ability of labour markets to respond to shocks

Which kind of employment do women have?





Unpaid work and time poverty

- In **all** countries, women do the bulk of unpaid work and are the main providers of care to children, the elderly and the sick

time poverty

- Difficulties in entering or maintaining formal, waged labour
- Women assigned to low-paid, low status jobs, such as home-based work
- Limited opportunities to gain new skills
- Double burden → care work critical to the survival of the economy and society



Figure 10

Time spent on paid and unpaid work (for persons in employment, unemployed or inactive) by sex, 65 developing and developed economies (latest year available)



The Gender Wage Gap

- The difference between male and female earnings expressed as a percentage of male earnings
- Globally estimated at 23%: women earn 77% of what men earn
- Gender wage differentials may be due to a variety of factors, including:
 - Crowding of women in low paying sectors/occupations
 - Differences in skills and work experience
 - Residual/unexplained component: discrimination
- The gender wage gap is not narrowing enough despite rapidly narrowing gender educational gaps → at current trends, it will take 70 years to close it.



Why promote Gender Equality?

A moral challenge

Equality between men and women is a human right.
Economic development can play an important role to bridge inequalities

Gender equality improves when poverty declines

01

02

03

04

A drag on growth

Women play a fundamental role in development. Reducing inequalities will have overall beneficial consequences.
Economic development is not enough to reach gender equality

Policy action is necessary to accelerate this process



Mckinsey Global Institute: The Power of Parity 2015



In a full-potential scenario in which women play an identical role in labor markets to men's, **as much as \$28 trillion, or 26%, could be added to global annual GDP in 2025**

equivalent to the current GDP of the US and China combined



If all countries were to match the progress toward gender parity of the best performer in their region, it **could produce a boost to annual global GDP of as much as \$12 trillion in 2025**

equivalent to the current GDP of Japan, Germany, and the UK combined



The Trade and Gender Relationship





The first side of the equation

Gender-based inequalities can impact significantly on trade outcomes and performance:

1

Gender inequality as a growth strategy

2

Gender inequality as a burden on countries' competitiveness



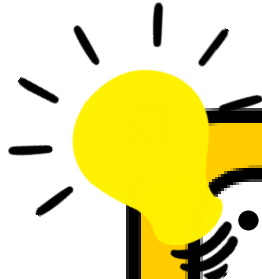
Gender inequalities as a growth strategy



The economy enjoys sustained export, economic growth and technological upgrading

- Women as a source of competitive advantage in their role as wage workers;
- Large pool of low cost female workforce employed in labour intensive export industries;
- The gender wage gap indirectly improves international competitiveness;
- When exports increase there is more foreign exchange available → new technologies to upgrade production;
- Firms' higher revenues are re-invested rather than directed to improve wages.

Is this a smart strategy?



- Human rights/ethical perspective/labor standards
- Societal evolution may make gender inequalities unacceptable and a source of social conflicts
- Gender inequalities may reduce the appeal of products in the markets of destination



**Undesirable and
unsustainable strategy**

Gender inequality as a burden on countries' competitiveness

- **Women as under-achieving economic agents:**
 - **Women face constraints in all domains of gender inequality: Access to and control over resources; Capabilities; Security**
- **Women's limited effectiveness affects the sector/country's export competitiveness → the economy is unable to release its growth potential;**
- **Women are responsible for food and children's education, diminishing women's opportunities affects not only their living conditions but the livelihoods and future prospects of many more.**



An example

Gender gaps in land, assets, inputs, and technologies have a high opportunity cost in terms of gains in yields, production, and potentially, reduction in hunger

If female farmers in developing countries had the same access to productive resources as men



- Yields: (+) 20-30%
- Agricultural output in developing countries: (+) 2.5- 4%
- Global number of hungry people: (-) 12-17%

Source: UN Task Force on Rural Women, 2011

A background illustration of a diverse group of women of various ethnicities, ages, and professions. Some are wearing glasses, and they are dressed in a variety of colorful clothing. The illustration is composed of many individual figures, creating a sense of a large, inclusive community.

**The second side of the equation:
Trade affects gender**

**Women in the various
dimensions of their lives**

From trade to gender patterns of employment



- Trade expansion causes changes in the structure of production of a country: some sectors expand, some sectors contract
- Women and men work in different sectors: women clustered in fewer sectors; men more evenly distributed across occupations and productive activities
- Gender roles in the households and labour markets are rather rigid → women are less likely to enter expanding non-traditional female sectors because of limited access to productive resources and training, and time constraints →
Trade expansion has different effects on men's and women's employment and working conditions

Women as wage workers



Can benefit from trade liberalization if they are active in sectors that expand – But what is the quality and security of their employment? In which sectors?



Can lose from trade liberalization if employed in sectors that contract (import-competition);



The participation of women in the economy depends on the structural change of the economy, in particular the growth and decline of different sectors. This process is strongly affected by trade policy.

Women as producers/traders



Trade liberalization increases competition from imported goods;



However, it also allows to buy cheaper goods (lower import prices) to resell on the market;

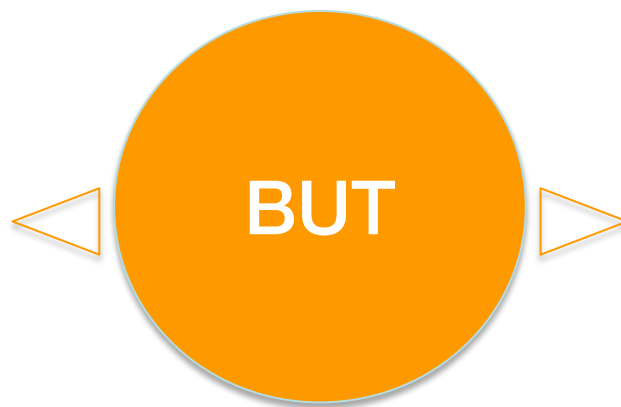


Moreover, trade liberalization creates more export opportunities and leads to higher prices of export goods

Women as consumers

UNCTAD

By and large more affected than men by changes in the relative price of basic consumption goods - an important component of their consumption basket



Cheaper food imports resulting from trade liberalization tend to have limited effects in terms of increasing food security of poor and very poor women - as they essentially consume what they produce

Women as tax-payers



Tariff liberalization



reduced tariff revenue



may translate in reduced public spending on essential services



increased burden on women;



If the government replaces tariffs with alternative taxes



gender differentiated impact.

The new global frameworks



The 2030 Development Agenda

UNCTAD



- "To live no one behind"
- **SDGs 1, 2, 5 and 16 and related targets & indicators:**
 - ✓ Women's access to productive resources
 - ✓ Implementation of non-discriminatory legislation
 - ✓ Creation of gender-sensitive development strategies
- Ending poverty
- Achieving gender equality and empowering women
- Promoting peaceful and inclusive societies



1 No explicit link between GEWE and trade

2 SDG 17 does not address the links between trade and overarching objectives, such as GEWE



Possible challenges

01

Some Goals and Targets may benefit from more attention and more financing

02

Some SDGs are more "transformative" than others



significant changes needed in the economy and society to fully implement them

03

Implementation will be crucial



The high level of ambition that inspired the formulation of the SDGs should be maintained through implementation





The Addis Ababa Action Agenda



"integral part of of the 2030 Agenda"; "supports, complements and help contextualize the 2030 means of implementation's targets"



GEWE } sustained, inclusive and equitable economic growth and sustainable development



International trade } productive employment, decent work, WE, food security, SDGs **IF** appropriate supportive policies, infrastrucutre, educated workforce in place

Does the AAAA provide strong foundation to hold all stakeholders accountable for GEWE?



Possible challenges

Contribution of women to growth and productivity versus UN social and economic rights

Not sufficient emphasis on the role of States

Ex ante gender assessment of trade and investment agreements





Gender inequalities are pervasive in society and in the economy

01

02

Gender inequality affects women according to the different economic and social roles they play in society

In this lecture we have focused on the two sides of the relationship between trade and gender: the one that goes from gender to trade and the other that goes from trade to gender

03

04

Trade and gender issues in the 2030 Agenda and the AAAA



Thank you for your attention

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