

Gender and Trade: impacts and implications for financial resources for gender equality

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Executive Summary

The financing of gender equality interventions, that is the provision of goods, services and infrastructure, that improve outcomes for women and girls, must be come from three sources: 1) individual household contribution (through payment for services such as health care and education), 2) government direct and sectoral allocations—domestically mobilized resources and 3) externally resources obtained primarily through development cooperation (Grown 2006 and UNDP 2004). These sources of financing are all dependent on national economic performance as well as international and global dynamics in finance and trade.

Achieving gender equality requires that public resources are allocated for programs and projects that directly reduces gender inequality and empower women ('gender equality interventions') as well as those projects and programs that are directed at improving social development but which have spillover effect on gender equality (non targeted gender equality interventions', UN Millennium Task Force and Grown et al 2006). Examples of the former include MDG3 specific programs dedicated to improving educational outcomes for girls and women and gender mainstreaming activities such as gender training and gender focal points in sector ministries. Example of non-targeted gender equality interventions are the construction of feeder and rural roads, health clinics and water services¹.

Traditionally, the multilateral trading system focused primarily on measures affecting the international trade of goods. Today, however, WTO trade agreements extend to trade in services. They also cover issues which are seen as trade-related, such as intellectual property rights. WTO trade agreements increasingly have implications for many domestic policies, such as environmental regulations, patent protection, and government procurement, so called "behind the border" issues.

The pressure of trade agreements, negotiated bilaterally, regionally and multilaterally has been to erode trade protection in favour of import liberalization on as wide a scope as possible. This has tended to mean the reduction and elimination of trade taxes (tariffs), quotas and licensing fees. But it is also accompanied by measures to expedite the flow of goods and service across border including through custom reform and other aspects of trade facilitation. In terms of export expansion, the mechanisms here are threefold: fiscal incentives (such as tax exemptions, tax holidays), export financing support and trade promotion support. Both import liberalization and export promotion measures have direct and indirect aspects at the meso and micro levels of the economy with implications for poverty reduction as well as targeted and non targeted gender equality interventions.

The direct impacts of trade on financial resources for gender equality operate through the effect of trade on employment, income and prices in the economy. Trade expansion may increase the employment of men and women, yielding increased income to households and more foreign exchange reserves to the government. The removal of tariffs and other trade barriers will directly impact prices of goods and service available in the domestic market. Indirect impacts are those that work their way through to the informal and

household sectors through a long chain of causes and effects. For example, when government revenue decrease as a result of declining trade tax receipt, the government may attempt to make up for the shortfall by cutting social spending and or by raising consumption and other excise taxes. These will impact household budgets, access to health care and education.

Trade agreements such as the Agreement on agriculture, the general agreement on trade in services and the Trade related intellectual property agreement also impacts on the availability of food, health care and access to education to individuals and households. Thus these agreements have serious implications for enabling women's and girls' capability, functioning and overall sense of personal security. These agreements also have the potential to generate changes in the economy that may either increase or decrease women's access to economic and social resources such as land, technology and credit.

Ultimately, the challenges of the MTS to gender equality may be in terms of the extent to which trade and trade related measures and mechanisms offset or mitigate leakages of funds from the household, government and foreign aid resources available to finance gender equality interventions, both targeted and non targeted. It would also be important to ascertain the extent to which leakages are countered by injection or inflow of funds into these same financing sources.

This points to further work on specifying the specific channels and pathways through which the MTS influences and impact the financing of gender equality programs. It also should draw greater attention to instituting processes for engendering the various capacity building and aid for trade initiatives so as to stimulate new program areas that will promote gender equality as wells as complement the financing of gender equality interventions.

Specific recommendations therefore are:

- Each country to develop a framework for engendering its trade related capacity building and Aid for trade programs.
- Ensure that trade diagnostic studies focusing on promoting trade readiness and market entry 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 impact by changing trade policy.
- Trade negotiations mandates proactively include gender sensitive framework for each of the sectoral areas under negotiations.
- Gender sensitive flanking measures to deal with the negative outcomes of trade reform underlying the implementation of trade agreements.

Gender and Trade: impacts and implications for financial resources for gender equality for Development and Democracy

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 are 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 strategic rethinking of frameworks of fiscal policy, public finance, debt sustainability, monetary policy, exchange rate management, financial market regulations, trade reform and the negotiations of trade agreements. Increasingly, these areas are no longer the sole preserve of domestic policy makers but are becoming interlinked within the operations of the broader multilateral trading system, global finance and global macroeconomic arrangements through formal processes of coherence between trade and financial institutions such as the International Monetary Fund, the World Bank and the World Trade Organization. This is also true of the harmonization 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 the impacts on the key sources of financing of gender equality.

This paper will explore in greater details to what extent the multilateral trading system can help to support the financing of gender equality and women's economic and social empowerment in Commonwealth developing countries. Section I, provides the overall framework for understanding how the multilateral trade system, working tandem with the International Financial Institutions (IFIs) can contribute to the financing of gender equality and women's economic empowerment. Section II examines in details how trade liberalization and trade reform impacts the resource available for financing gender equality. It has two parts, Part I seeks to define the scope and dynamics of the MTS and then precedes to identity the likely direct and indirect gendered impacts of trade on resource availability. Part 2, offers a tentative overview of how trade impacts on the three domains of gender equality. Section IV, explores the financial impacts of WTO and other trade arrangements on financing and gender equality. Section V explores how the MTS can support the mobilization of resources for financing gender equality. Focus will be on the area of trade reform, aid for trade and trade related capacity building and technical assistance. Section VI concludes with some thoughts on how to reconcile trade agreements with gender equality commitments.

Section I*: The Financing of Gender Equality Interventions

* This section draws heavily on Crown et al 2006. 'The Financial Requirements of Achieving Gender Equality and Women's Empowerment.'

Gender equality is critical for ensuring women's enjoyment of their human rights and is also critical for sustained and equitable economic development. Thus gender equality was identified as a central pillar of the eight millennium development goals (MDGs). Goal 3 of the MDGs 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 5 other goals: 2) equal opportunity, 3) equal ownership and control over productive assets, 4) freedom from drudgery, 5) equal representation in decision-making and freedom, and 6) from the threat of violence.

These six dimensions of gender equality can be aggregated in terms of three inter-related and interdependent operational domains of: Capabilities, Resources & Opportunity and Security Domains (Grown et al 2006). The Capabilities Domain include all of the elements that are important and necessary for enabling basic human ability and which 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 a) equal opportunity to economic assets such as land, property, infrastructure and income and b) equal opportunity 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) provision of universal primary education 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 and property and inheritance rights; 5) eliminating inequality in employment, gender gaps in earnings and occupational segregation; 6) increasing women's share of seat 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. They 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 target are integrated (directed at social development which has positive external effects on improving the life and living conditions of girls and women) as priorities areas into the national budgetary decision making process. They must also be ingrained in macroeconomic frameworks that determine fiscal, monetary and trade policies.

Section III: Trade Liberalisation, Trade Reform, Trade Policy and Gender Equality

A key focus of WTO trade negotiations is reduction of tariffs, and other barriers to the cross border movement of goods and services. Regional trading arrangements such as COMESA, NAFTA, CARICOM and the ongoing Economic Partnership Agreements

(EPAs), between the EU and Africa, Asia and the Pacific countries) operate within the framework of the Multilateral trading system. 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 comprehensive in some RTAs than similar named provisions in the WTO.

The trade policy and trade reform apparatuses of most Commonwealth governments, which are governed by WTO and Regional trade agreements, are aimed at facilitating foreign direct investment and liberalising trade. The key instruments are deregulations and 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 the resources for gender equality.

Part 1: Direct and indirect gendered impacts of trade on resource availability.

The direct impacts of trade on the financing of gender equality interventions resources are at least threefold: 1) employment, 2) income & revenue, and 3) 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 the nature and scope of public and private transfers, inter-household income distribution as well as the residual impact on public poverty. Trade can also exacerbate or mitigate poverty traps.

These direct and indirect gendered impacts of trade also impact the three (capabilities, participation and security) domains of gender equality and so may, in themselves, generate their own additional demands for financial and other support for ensuring gender equality.

Direct and indirect gendered impacts of trade on financial resource availability

Employment. Trade liberalisation does increase market access for many exporters. In countries that export labour intensive manufactures, this tends to increase women’s employment. Much more attention has been paid to gender impacts in these countries than to gender impacts in countries that export primary products, where there may be adverse change 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 governmental services. This will be negative for financing gender equality. Of course there are other issues such as the quality of the employment, its impact on gender segmentation and gender discrimination in national labour markets.

Income & 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, the extent to which there is positive and

rising income flow for women generated from trade-led employment will mean less reliance on governmental apparatuses for promoting women's economic empowerment. The positive factor here is that governments, because of direct flow of taxes and less dependence on it for some of 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, incentives for child care credits and the sharing of social reproduction. Additionally, increased flow of income accruing to the government from trade in the form of rising personal taxes flows and foreign exchanges may also release the effect of the domestic saving constraints and allow governments to be able to do more long term strategic planning for gender equality and overall economic development.

It is clear that export revenues from increase trades will contribute positively to the financial resource flow. It will bring income to the individual and household, well as income flow in the form of international reserves to 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 unbridle import liberalization.

Import liberalisation can result in the loss of tariff revenue. Rao (1999) and Khattry and Rao (2002) found that trade liberalization 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 GDP. If loss in trade taxes is compensated for by the imposition of regressive value added taxes this will also be felt more acutely by poor women, who constitute a disproportionately large part of the poor in many developing countries. 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). In so far as loss of tariff revenue also results in cuts in social expenditure, women will be disproportionately affected, both as users and providers of social services.

Price. Import liberalization 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 also may 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 liberalization 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 liberalization have serious implications for reducing or expanding the financial resources for funding gender equality programs. On the positive side, by increasing the level of household income and

governmental revenues, export expansion will likely yield greater resources for financing such programs. But if the expectations of 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.

It is also important that in undertaking tax reform (which generally tends to accompany trade reform), government pay careful attention to the social and gender incidence of tax reform measures such as the introduction of VAT or general excise taxes. Excise taxes, for example, on gasoline impacts on transportation and bus fares and thus have negative impact on the household budget 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 2005 excise taxes on alcohol and tobacco impact more heavily on men. The tendency thus far in some Commonwealth countries (especially those operating under ESAF and PRGF, SAL programs), in their attempts to safeguard total tax revenue, has been to shift towards a more regressive tax system which emphasise indirect taxes over direct taxes. This has tremendous gender equality implications which are beyond the scope of this paper (please see Huber 2005). Thus a gendered approach to tax reform as well as trade reform is a necessary gender equality intervention.

Direct and indirect gendered impact of trade on 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 manage appropriately, will allow for women and men to gain new skills and development their talents for entrepreneurship. But there can also be negative employment effects in the import competing sector, if domestic sector cannot maintain or improve market share in the face of intensified foreign competition and is hence for to lay off workers or close business. Example from the literature on the de-industrialization effects of non agricultural market access liberalization in Africa has shown that in such cases, women entrepreneurs are the first to feel the ill effects. Many women, who lost business, were not able to recovery 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 on non targeted gender equality interventions such as for example funding more extension workers to outreach to female farmers.

Direct and indirect gendered impact of trade on Infrastructural resource availability

In the area of infrastructure development a pro-trade development agenda can lead to 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 revitalization of ports, custom reforms and the administrative changes require to facilitate new IPR regime, consumes 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 to subsidizing transportation that could be more beneficial for enabling women to access employment, markets and social services these 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 girls and women's time burden.

Part 2: The Specific impacts of WTO trade agreement on the Capabilities, Opportunity and Security 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, enabling them to have access to affordable quality health care and education, then these trade agreements have a powerful and positive impact for gender equality. To the extent that agreements such as AOA, GATS, TRIPs and other trade provisions impact negatively on these factors they curtail the development of girls and women's capabilities. In this section 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.

The Agreement on Agriculture (AOA)ⁱⁱ. Agricultural liberalisation presents opportunities and challenges for ensuring adequate nutritional support for women and girls and their overall long term health and well being. Food is being exported to many poor developing countries at prices well below costⁱⁱⁱ. This practice, known as "dumping," jeopardises the livelihoods of small farmers, and may jeopardise food security in poor countries which are now much more dependent on imported food.

A recent fourteen-country FAO 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 small-holders produce NTAEs for export but this may jeopardise their ability to produce crops to feed their families and lead to threats to their food security. Kasente et al (2002) argues this is the case in Uganda.

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).

Services. 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 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 is no system for cross-subsidy of services and no system 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 health care.

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 in relation to gender equality, specifically with regard to the two aspects (economic assets and participation) of the Equal Opportunity Domain of the gender equality schema. In terms of economic assets, it is widely acknowledged that trade impacts on factor incomes, especially the factor that is used most dominantly in exports. Since in most Commonwealth countries, women provide the bulk of the labour for traded goods, then 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.

a) Economic assets

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 lack access to credit, agricultural extension services, tools and ownership of land (Grown, Rao Gupta and Kes 2005; FAO 2002; World Bank 2001b).

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, fertilizers and water. But with the implementation of trade liberalization under structural adjustment programmes, many

governments have eliminated many forms of input subsidies on fertilizers, credit and irrigation. As a result, prices for inputs such as fertilizers rose in the 1990s in Africa.¹⁰ Gladwin (1991) demonstrated the adverse implications of these policies for women farmers in Cameroon and Malawi, who lacked sufficient cash and credit to buy at the higher prices.

Increases in non-traditional agricultural exports (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 as temporary seasonal employees in 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. At present, few countries use GATS 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 material that was once abundantly available, especially to poor households. Many of these materials are critical for the livelihoods of poor men and women 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" (CIDSE 2002: 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 fertilizers. Increasingly, many of the inputs needed for farming must be obtained in the market. Patents encourage restriction 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 fertilizer and seed, the rising expenses of farming induced by the TRIPs agreements are likely to exacerbate existing gender inequalities.

b) Political participation

In terms of the domain of political participation, the trade related aspects of this domain are in terms of 1) women's participation and contribution to trade policy decision making, including the formulation of trade negotiation mandate; 2) gender composition of trade policy ministries and delegations at national, regional and multilateral levels; and 3) 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 security (from sexual harassment and rape) in the work place. Another dimension of trade related gender security issues 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 or travelling longer distance to work or to even dwell away from home in specially operated export processing zones, trade policy introduced an added dimension to women's personal security and insecurity. However, if policy makers devise complementary and offsetting mechanisms that improves the public space for women's to operate in, even if this is initially driven by demands emanating from the trade sectors, as long as there are positive spillover effects that reduce the gendered impacts of violence and conflicts against women, then trade liberalization 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 placed by policy makers on this aspect.

Ultimately, the expectation is that trade will provide income for women that enable women and their children and families to live a secure and comfortable live or otherwise re-negotiate their status in the household and the community.

Section IV: Exploring the financial impacts of WTO and other trade arrangements on financial and gender equality

The starting point of any attempt to specify the specific channels and pathways through which the MTS influences and impacts the financing for gender equality programs is to identify how and in what ways the negotiation and implementation of WTO as well as RTA trade agreements engender leakages and or injections of funds from/to the current spending streaming from which governments support gender equality intervention measures. Secondly, gender advocates and government decision-makers should pay

attention to the development of measures and mechanisms to offset or mitigate the leakages identified. Thirdly, emphasis should be placed on seeking ways and means to ensure that WTO and RTA activities could potentially stimulate new programs 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 potential impact women's equal opportunities in a negative ways. This would include gender analysis of: 1) trade facilitation & customs reform, 2) government procurement, 3) Trips and investment plus provisions in RTAs. On the potential inflow of funds or injection side, clear channels include gender perspective on: 1) the flow of remittances under GATS, 2) market access-driven trade-related capacity building & technical assistance and 3) the Aid for Trade. The remainder of this section explores the latter two channels.

The key aim of trade negotiation dynamics is to reduce or eliminate these market access barriers. As a result, market access has seemingly become the holy grail of trade negotiations. However, increasingly trade negotiations and institutions such as the World Bank, the Fund and the WTO, have 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. This is a key aspect of the Aid for Trade discussion emerging from the recent Hong Kong Ministerial. But more generally these are issues which have dominated in the area of trade related capacity building (TRCB) which tends to focus on micro level support and institutional interventions.

Since TRCB programs tend to operate at the enterprise and institutional level it 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 CIDA, which has developed a framework for engendering TRCB, there has not been much focused national, regional attention on ensuring the gender equality dimensions of trade development or trade readiness^{iv}.

Trade related capacity building that is supportive of gender equality interventions would proactively examine the challenges and constraints that SMEs and other women owned business face with regard to market entry and trade readiness. Critical questions to be posed includes:

- What kinds of trade readiness or capacity building programs and projects are needed for women owned and operated business versus for male owned businesses as it relates 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 & technical assistance? To what extent are the needs, priorities and concerns of micro, SME's and women entrepreneurs

taken into account into the design, planning and implementation of TRCB projects and programs?

Many of the key considerations of market access that are problematic for SMEs and small holders in the agricultural sector such as physical infrastructure—road, ports, railways and access to ICT have their own distinct gender dimension which needs to be specifically targeted and addressed within the context of TRCB planning. Women and poor minority business operating in the export and import competing sectors have a greater need for accessing many of the softer elements of elements of market access and market entry such as incentives, tricks of the trade with regulations and assistance with the costs of information & communications as well as dealing with global supply chains and product development. Programs geared to providing export training, building and maintain trading networks, assisting with capital upgrading, technical standards and regulations, 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 liberalization, whether under the AOA, TRIPS or GATS or other WTO provisions, has been a source of high tension in multilateral trade negotiations. The resulting impacts of these cost on development as well as on social and gender equity have also been sources of concerns for those concerned with poverty eradication, women's economic empowerment and gender equality. As a result, over the last ten years, there has been increasing attention on the need for additional financing for trade and trade related development. Initially, this discussion took place within the multilateral financial institutions, the IMF, the World Bank as well as among the regional development banks^v. Increasingly, under the rubric of the multilateral trade negotiations (MTN) 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 new^{vi} 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^{vii}

The Hong Kong Ministerial, which also called for a Task force on Aid for Trade in the context of the WTO, enjoined on trade negotiators the need to ensure aid for trade for developing countries in order to help them more effectively realize and benefit from any gains from trade. It recognized that this could only be accomplished if developing countries: a) increased their export of goods and services and thereby are better able to utilize market access and b) have access to support for adjustment issues in implementing trade reform arising from WTO trade agreements. It must be noted that it is generally recognized 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^{viii}.

AfT is relevant to the discussion of women's economic empowerment and gender and trade because of its wide scope, which range from issue of trade policy and regulation, trade development, trade-related infrastructure to trade related adjustment^{ix}. In the area of

trade policy and regulation, women in their multiple roles as workers, community and household caretakers and business actors are impacted 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 agreement. Women business owners, who usually are under capitalized 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 impacted by trade rules that liberalize these sectors.

In the area of trade and development, women's businesses are also impacted 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 programs and project 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 women's priorities and concerns. Women entrepreneurs who are involve 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, market analysis and development.

As has been noted by Elson and Gideon, women may also be different impact 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 focus on what kinds of infrastructure will receive priority attention and support--whether it is feeder roads or simply main roads are critical to the survival and expansion of women and small farmers in ensuring access to market and their ability to be independent of middlemen; it may also lessen their dependency on lesser remunerative farm-gate pricing structure.

Overall, gender should be a concern in all aspect of AfT including 'trade related adjustment' and 'other trade related needs', but, especially, those programs and projects aimed at building the 'supply side capacity' and the 'human resource availability of developing countries' (AfT Task Force Report). The importance of gender in AfT was also flagged in the report of the Aid for Trade Task Force (under section F)^x. While the report did undertake a wide or deep discussion on gender issues, these issues must be advocated for as paramount to policies, programs and policies of 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 center of growth promotion and poverty reduction strategies at the national, regional and multilateral level' (Isodor2006).

Section V: Conclusions and Recommendations

As stated at the beginning of this paper the international community has made a commitment to gender equality as an essential core plank in the implementing human rights. Through mechanisms of platform for actions, conventions and treaties (BPA, CEDAW), the whole UN and related system including the IMF and the World Bank have committed to gender equality. The UN applied agencies such as FAO, WHO, UNDP have invested tremendous financial, human resources, research and programmatic resources in enabling the process of gender equality and the empowerment of women in developing countries.

However, this effort can be easily undermined by current approach to macroeconomic and trade policies. These policies underlie the taxation and spending programs and policies which are necessary for successful gender mainstreaming. Trade liberalization and the trade agreements which enforces its implementation world- wide has become the centre piece of both development and macro policies. This has been formalized by a series of coherence agreements between the WTO and the IMF, on the one hand, and the WTO and the Bank on the other.

Thus there is an urgent imperative to engender trade agreements and policies so that these agreements 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 liberalization aspects of trade agreement and the policy reform it engenders. Engendering trade agreements and policies will require flushing out the tentative framework set out in section III and exploring languages and commitments in trade provisions that will expanded on the positive impacts while mitigation and or eliminating those that have a negative impact for women and girls as well as overall poverty eradication.

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

Specific recommendations therefore are:

- Each country to develop a framework for engendering its trade related capacity building and Aid for trade programs.
- Ensure that trade diagnostic studies focusing on promoting trade readiness and market entry 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 impact by changing trade policy.
- Trade negotiations mandates proactively include gender sensitive framework for each of the sectoral areas under negotiations.
- Gender sensitive flanking measures to deal with the negative outcomes of trade reform underlying the implementation of trade agreements.

- Gender and trade impact assessment of trade agreements and policies.

ⁱ MDG sectors include: education, health, rural development, slum upgrading, water, sanitation and energy. Projects and programs in these areas will work for the achievement of the MDGs as a whole and while not directly aimed at gender equality will synergistic promote gender equality and MDG3. There should also be gender mainstreaming interventions within and across sectors.

ⁱⁱ 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.

ⁱⁱⁱ Levels of dumping hover around 40 per cent for wheat, between 25 per cent and 30 per cent for corn (maize) and levels 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 stabilized at around 20 per cent. (IATP 2004: 2, cited in Hernandez 2005).

¹⁰ Currency devaluation may also contribute to the rise in input prices. For example, in Malawi the final removal of all fertilizer subsidies in 1995/96 coupled with a 100 per cent devaluation of the kwacha in 1994, meant 200 per cent to 300 per cent increase in the price of fertilizer without corresponding increases in maize price in 1995/96 and 1996/97 (Benson 1997).

^{iv} CIDA has developed a series of entry points for engendering TRCB programs, focusing on the two broad areas of trade policy & regulation and trade & development. In terms of the former the emphasis is on engendering national trade and development policy, improving the participation of women in trade negotiations and building the knowledge of business and workers on these issues. In terms of trade development, key entry points are leveraged around: business development issues, access to trade finance and trade promotion at enterprise and institutional levels. Emphasis at all levels is on the role of SMEs and the limitations they face in accessing training, marketing information, ICTs and financing. Canadian International Development Agency (CIDA), 2003. Gender Equality and Trade Related Capacity Building: A Resource Tool for Practitioners.

^v See for example, the IMF's Trade integrating mechanism (TIM) and the World Bank's involvement in the Integrated framework (IF)-- a multiple donor program involving the IMF, the World Bank, UNCTAD, the International Trade Centre, the WTO and UNDP to assist least developing countries increase their participation in the global economy. The G-8, Gleneagles (September 2005) meeting mandated the Fund and the Bank to develop proposals on AfT.

AfT is not a politically neutral issue. Its arrival as a centre piece on the Doha negotiation table is in part due to the persistent problem of lack of gains and rising cost of trade liberalization for many developing countries, especially the poorest groups of countries. For example, the over \$200 billion (over 20 year lost) accrued to Sub Sahara Africa due to trade liberalization (initially under the Fund and Bank led trade liberalization agenda and later due to the side effects of most favoured nation tariff reduction and loss of preferences have significant developmental impacts on the lives of men and women in these countries. This has only been heightened by the recent reversal of the World Bank of its highly vaunted promise of over \$500 billion to the world economy from trade liberalization. By the time of the Cancun Ministerial, this had been reduced to a possible \$20 billion for developing countries. Since then a variety of studies Ackerman 2005, Anderson et al 2005 a/b, Hertel and Winters 2005 and Weisbrot et al, have dramatically reduced these figures. Thus AfT 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, p.3)

^{vi} "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.

^{vii} "We welcome the discussions of Finance and Development Ministers in various fora, including the Development Committee of the World Bank and IMF, that have taken place this year on expanding Aid for Trade. Aid for Trade should aim to help developing countries, particularly 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. Aid for Trade cannot be a substitute for the development benefits that will result from a successful conclusion to the DDA, particularly on market access. However, it can be a valuable complement to the DDA. We invite the Director-General to create a task force that shall provide recommendations on how to operationalize Aid for Trade. The Task Force will provide recommendations to the General Council by July 2006 on how Aid for Trade might contribute most effectively to the development dimension of the DDA. We also invite the Director-General to consult with Members as well as with the IMF and World Bank, relevant international organisations and the regional development banks with a view to reporting to the General Council on appropriate mechanisms to secure additional financial resources for Aid for Trade, where appropriate through grants and concessional loans."(WT/MIN(05)/DEC)

^{viii} According to Iorio 2006, *Aid for Trade* is to be situated in the context of provisions on Special and Differential Treatment for LDCs, as defined by the WTO Agreements, including implementation periods (recalled in Annex 1 by Agreement); Ministerial Decisions and Declarations in favor of LDCs (Annex 2); and WTO provisions for developing countries (Annex 3); as well as Article III of the Marrakech Agreement. Article III of the Marrakech Agreement: The WTO shall facilitate the implementation, administration and operation, and further the objectives of this Agreement and of the Multilateral Trade Agreements, and shall also provide the framework for the implementation, administration and operation of the Plurilateral Trade Agreements. The WTO shall provide the forum for negotiations among its Members concerning their multilateral trade relations in matters dealt with under the agreements in the Annexes to this Agreement. The WTO may also provide a forum for further negotiations among its Members concerning their multilateral trade relations, and a framework for the implementation of the results of such negotiations, as may be decided by the Ministerial Conference. The WTO shall administer the Understanding on Rules and Procedures Governing the Settlement of Disputes (hereinafter referred to as the “Dispute Settlement Understanding” or “DSU”) in Annex 2 to this Agreement. The WTO shall administer the Trade Policy Review Mechanism (hereinafter referred to as the “TPRM”) provided for in Annex 3 to this Agreement. With a view to achieving greater coherence in global economic policy-making, the WTO shall cooperate, as appropriate, with the International Monetary Fund and with the International Bank for Reconstruction and Development and its affiliated agencies.

^{ix} AfT is quite a controversial and highly political issue. The gains to women will differ 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 BOP problems and revenue loss from trade liberalization) or trade enhancing (dealing with demand side issues and supply-side issues). 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, is also of vital concern. In addition, though, there is no space to discuss the various political ramifications of AfT, the discussion on gender need to be grounded in the reality of the political nature of AfT, including the subsumption of large part of aid flow to trade issues (and trade related conditionalities) at the potential costs of other development issues. Other issues to be mindful of includes, the issue of 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 it 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.?

^x The Aid for Trade Task Force, which was established February 2006 with a mandate to discuss how AfT ‘might contribute to 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.