

Trade as a driver of gender equality in APEC

A briefing note for the APEC GOS session on Women and Trade¹

Why is gender equality important for APEC?

There are approximately 600 million women in the region's labor force, with over 60 percent of them engaged in the formal sector. Limiting their participation as a sector in the workforce across the Asia-Pacific region can cost the economy tens of billions of dollars every year.

Furthermore, the COVID-19 pandemic has had a disproportionate economic and social impact on women and girls, and governments across the region have acknowledged the need to place priority on them and on broadening inclusion in recovery efforts.

The APEC Putrajaya Vision 2040 envisages strong, balanced, secure, sustainable and inclusive growth as a key economic driver towards achieving an open, dynamic, resilient and peaceful Asia-Pacific community by 2040, with prosperity for all its people and future generations. The Vision commits APEC Leaders to pursuing quality growth that brings disclosure of economic potential, benefits, greater health and wellbeing to all, including women.

Role of trade in reducing the gender gap

How can trade, and specifically trade in services, be a force to drive the change necessary to reduce, if not eliminate, the gender gap in APEC?

Trade policy has not been naturally disposed to dealing with gender equality, as its focus has been on the maximization of overall gains, while delegating away the responsibility of distributing those gains to someone else (typically a domestic fiscal apparatus).

Trade policy provisions have been developed and viewed as gender neutral, not directly discriminating between men and women. However, there is a clear need to review this approach, in front of the growing evidence that women and men are not impacted in the same way by trade policies and do not have equal opportunities in trade activities (including export, import, trade finance, facilitation and many logistics-related services involved in moving goods across borders, as well as in foreign direct investment).

Additionally, as observed during the pandemic, a disproportional burden of trade and business costs continue to fall on women. Statistical and anecdotal evidence is plentiful but unfortunately not systematic and not readily available as a single dataset.² Instead, relevant data are presented haphazardly throughout reports prepared by a number of international organizations (such as the OECD, World Bank, WTO, ITC, UN and ADB) – including the APEC PSU 2021 report on Women and the Economy Dashboard.³

¹ Prepared by Christine Schaeffer, Mia Mikic and Sherry Stephenson, February 2023.

² Many argue that lack of data and weak statistical support to work on gender equality is one of the results of long existing and deep gender biases.

³ This report, along with other relevant resources, are listed at the back of this note.

These reports show that firms that engage in trade offer more formal employment, higher pay, more prospects for training and advancement and lesser precarious jobs for women. Importantly, such firms also open opportunities especially with respect to digital economy growth.

It is also the case that the more women employed in trade-related activities, the better on average are their working conditions and remuneration. It is therefore of high importance to close the gaps in women's participation in trade and investment activities.⁴

A greater awareness of gender and trade has started to seep into trade policies in more recent years. Advances can be grouped at the multilateral and regional levels.

The multilateral level – World Trade Organization (WTO)

Gender awareness in trade took its first form in the Buenos Aires Declaration on Trade and Women's Economic Empowerment at the 2017 WTO 11th Ministerial Conference (MC11). As of today, this Declaration has been adopted by 127 WTO Members, included 15 APEC economies.

The commitments and ambitions of the Buenos Aires Declaration were followed by the establishment in September 2020 of an Informal Working Group on Trade and Gender (IWG) at the WTO whose overall aim was to intensify efforts to increase women's participation in international trade. Its work has been structured around the four pillars of the Buenos Aires Declaration which are: reviewing analytical work, experience sharing, considering the concept of and scope for a "gender lens" to be applied to the work of the WTO and contributing to the Aid for Trade work programme.⁵

This work led to the drafting of a Joint WTO Ministerial Declaration on the Advancement of Gender Equality and Women's Economic Empowerment within Trade prepared for the WTO 12th Ministerial Conference (which for complex reasons was not subsequently considered by Trade Ministers for adoption). The Joint Declaration was intended to integrate work on women and trade more formally into the operation of the WTO.

Instead, in the Outcome Document that was adopted at MC12 in June 2022, gender and trade was mentioned in a much more subdued form.⁶ To many this was still a positive step forward, as it signalled that trade had matured from a situation of gender neutral to gender aware.

⁴ Globally, while women constitute 39% of the labour force, only 33% of all those employed in firms from the developing world that engage in international trade are women. The gap to gender parity remains significant. Sectoral differences as well as differences between the type and skill levels of jobs in the traded sector are even starker.

⁵ The means suggested to carry out this work included the sharing of best practices among members on increasing women's participation in trade, the clarification of what a "gender lens" is in the context of WTO work, the review of gender-related reports, and discussions of how women may benefit from Aid for Trade.

⁶ The text of the MC12 Declaration (Para 13) reads: "We recognize women's economic empowerment and the contribution of MSMEs to inclusive and sustainable economic growth, acknowledge their different context, challenges and capabilities in countries at different stages of development, and we take note of the WTO, UNCTAD and ITC's work on these issues."

A striking advance was achieved for the first time in the WTO context in the plurilateral JSI Outcome on Domestic Regulation in Services which includes the first ever binding provision requiring non-discrimination between women and men in the adoption of measures involving services trade.⁷

The regional level

Incorporation of gender equality and women's economic empowerment (WEE) clauses into regional trade agreements (RTAs) has expanded in recent years. According to the most recent count (WTO, 2022) 101 out of 353 RTAs which are enforced globally include at least one explicit reference to gender issues.⁸

The range of gender issues covered in those provisions is very wide: from the participation of women in economic activities, including in the labour market and in business, to social issues, political and cultural rights (see table in the annex).

The issues covered by the provisions also impacts how they are formulated and where in the text of the RTA they are placed (for example, preambular paragraphs or substantive chapters). In many cases, the language reflects non-specificity, non-binding, and non-enforceable implementation of these provisions. Most frequently, the instruments for implementation rest upon best endeavour efforts, or adoption of domestic policies or legal reforms and rely on monitoring without allowing for raising disputes.

Other arrangements

Other bilateral or plurilateral arrangements have been developed in the recent period which refer explicitly to gender provisions, and which aim to foster greater gender equality and women's economic empowerment through trade and investment.

The Global Trade and Gender Arrangement (GTAGA) between, Canada, Chile, Columbia, Mexico, New Zealand and Peru (with other countries currently applying to join) is the first global agreement which builds on existing gender-related provisions included in the RTAs of members.

This arrangement explicitly recognizes the importance of not weakening or reducing the protection provided in gender equality laws and regulations to promote trade and investment (WTO, 2022, p.2). With particular reference to trade in services, GTAGA follows the path of the JSI DSR text and includes even an more explicit provision to outlaw discrimination of women as providers of services.⁹

⁷ This is the text of Article 19: "If a Member adopts or maintains measures relating to the authorization for the supply of a service, the Member shall ensure that:

- (a) such measures are based on objective and transparent criteria;
- (b) the procedures are impartial, and that the procedures are adequate for applicants to demonstrate whether they meet the requirements, if such requirements exist;
- (c) the procedures do not in themselves unjustifiably prevent fulfilment of requirements; and
- (d) such measures do not discriminate between men and women."

⁸ It is important to note that one RTA may contain more than one gender-relevant provision. In fact, the 101 RTAs in the WTO database contain a total of 331 provisions relevant to gender issues (see more in WTO, 2022).

⁹ Paragraph 4 of the GTAGA text states:

- "4(a) If a Participant adopts or maintains measures relating to licensing

As discussed in the growing body of literature on the Trade and Gender nexus, the impact of trade rules on gender equality and women's economic empowerment can frequently materialize through indirect channels, for example through rules and measures applied to operations of MSMEs, SOEs, regulation on competition, public procurement, environment and in particular labour.¹⁰

What can APEC do to promote gender equality and WEE especially through trade in services?

APEC has performed best through its capacity to develop innovative policy ideas and best practices that support economic prosperity and integration in the Asia Pacific region.

Actions and initiatives that may be considered for the APEC Group on Services forward work program include:

- Contribute to the collection of gender-differentiated statistics relevant to trade in services (including employment, skills, wages, firms' revenue, by sector and possibly mode of service supply)
- Develop and put in place a survey of firms in export and import of services to collect gender differentiated insights, including the firms operating through Mode 3 locally or internationally
- Based on available yet fragmented data on gender provisions in RTAs, extract the relevant information for RTAs signed by APEC economies and offer a functional up-to-date and searchable database
- Consider mandating gender-focused impact analysis of proposed trade agreements before they are signed
- Consider joining the Informal Working Group on Trade and Gender in the WTO to support further formalization of this work
- Consider joining the GTAGA
- Develop a network of gender focal points in APEC economies
- Increase capacity building in the area of improving quality and spread of gender-aware policy making, especially in tradable services.

requirements and procedures, qualification requirements and procedures, or technical standards relating to authorisation for the supply of a service, it will ensure that such measures do not discriminate based on gender.

4(b) The Participants will not consider legitimate differentiation, as well as the adoption of temporary special measures aimed at accelerating de facto gender equality, as discrimination for the purposes of this paragraph. Legitimate differentiation is defined as differential treatment that is reasonable and objective, and aims to achieve a legitimate public policy purpose."

¹⁰ This is one of the reasons why the jury is still out with regard to the value-added of having a separate chapter on Trade and Gender in a trade agreement, given the numerous cross-cutting linkages with other areas traditionally covered separately in such agreements.

The Group on Services members could also apply for funding to engage experts and experience available in APEC economies to provide thought leadership on many substantive questions in this area, for example:

- Balancing binding and non-binding approaches and identifying effective implementation and enforcement instruments for the binding provisions;
- Analyzing the impact of digitization on women's prospects in trade across borders;
- Deepening understanding of the nature of barriers to women's engagement in trade (are they mostly domestic; do they relate to lack of skills or lack of access, or lack of finance, etc);
- Understanding servicification and its impact on women in non-service activities;
- Mapping the impacts of the reshaping of the global value chains on gender equality and Women's Economic Empowerment (WEE).

Annex

Table 1: Summary table of the categories of gender issues addressed in RTAs

Gender issues	Number of provisions	Number of RTAs
Gender inequality issues	214	83
Women's participation in economic and development activities	197	92
Women's participation in the workforce	120	62
Women's participation in business	65	31
Women's access to productive resources	32	21
Social issues and the role of women in social life	109	65
Women's access to education	52	41
Women's safety	29	20
Family-related issues	36	29
Social inclusion and vulnerability	13	13
Women's access to health and food security	10	8
Representation of women in decision-making roles	20	19
Representation of women in politics	10	10
Role of women in cultural life and protection of cultural rights	10	9

Source: Author's analysis based on the last update of the database in September 2022. Numbers attached to the categories do not represent a total of the sub-categories. Some provisions only broadly address gender-related social issues or women's economic participation without precising which areas.

Source: Table 1, WTO, 2022

Selected references and data sources

APEC *Women and the Economy Dashboard* (2021), PSU Report

<https://www.apec.org/Publications/2021/09/The-APEC-Women-and-the-Economy-Dashboard-2021>

OECD (2021) *Trade and gender: a framework of analysis*

https://www.oecd-ilibrary.org/trade/trade-and-gender_6db59d80-en

World Bank and WTO (2020) *Women and Trade: The Role of Trade in Promoting Gender Equality*

<https://openknowledge.worldbank.org/handle/10986/34140>

World Bank, *Women, Business and Law* (2022)

<https://wbl.worldbank.org/en/wbl> World Economic Forum (2022) *Global Gender Gap Report 2022*

<https://www.weforum.org/reports/global-gender-gap-report-2022/>

WTO (2022) Informal Working Group on Trade and Gender - *Trade and gender-related provisions in regional trade agreements* (WTO secretariat, INF/TGE/COM/4)

https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/INF/TGE/COM_4.pdf&Open=True

WTO Database on gender provisions in RTAs

https://www.wto.org/english/tratop_e/womenandtrade_e/gender_responsive_trade_agreement_db_e.htm