

BRIDGES NETWORK

BRIDGES AFRICA

Trade and Sustainable Development News and Analysis on Africa

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Looking at Trade from a Gender Perspective

GENDER

The case for mainstreaming gender in trade policy

KENYA

What are the constraints and opportunities for women in the macadamia value chain?

INDUSTRIAL GOODS

Exploring the trade and gender nexus in COMESA countries



International Centre for Trade
and Sustainable Development

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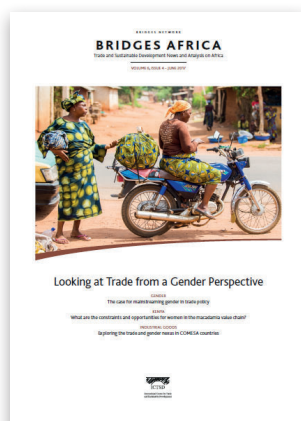
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Looking at Trade from a Gender Perspective



The potential of trade and trade policy to advance sustainable development objectives is reflected in the various trade-related commitments contained in the 2030 Agenda for Sustainable Development. The persistence of significant gender-related constraints in African societies at large, however, means that women and men often play very different roles in their nations' economies. As such, the gender-differentiated impacts of trade policy need to be taken into account if development strategies are to be truly inclusive.

Across the continent, African women commonly face lingering gender stereotypes as well as specific barriers in accessing resources – including productive resources, finance, education and training, or information – that limit their professional options and economic opportunities. As a result, they often tend to be confined to low-skilled jobs and activities, with only limited perspectives for career development. The broad implications are two-fold. First, there is a need to assess carefully the gendered impacts of trade and trade policy so as to support the economic empowerment of women. Second, the promotion of gender equality, as affirmed in Sustainable Development Goal 5, will play a key role in accelerating economic growth and generating sustainable development on the continent.

The awareness and recognition of gender-differentiated impacts in trade policymaking thus constitutes a necessary first step in formulating policies that enable women and men to benefit from trade processes on an equal footing.

Through which channels do trade and trade policy influence women and gender outcomes? What are the gender-specific constraints that women face in accessing economic opportunities and how does this translate in the trade sphere? How can policymakers adopt more gender-sensitive trade-related policies?

In this issue's lead article, Simonetta Zarrilli presents an overview of the links between trade and gender with a particular focus on Africa. Her contribution is complemented by two case studies. First, Jane Maigua, Loise Maina, and Charity Ndegwa analyse the challenges and opportunities for women in Kenya's macadamia nuts industry. Second, Nursel Aydiner Avsar and Mariangela Linoci look at the gender implications of trade in the manufacturing sector of countries in the Common Market for Eastern and Southern Africa (COMESA). The issue also features an article, authored by Penny Bamber and Cornelia Staritz, that explores trade and gender in the context of global value chains. Finally, Julia Lipowiecka's piece focuses on the gender-based constraints faced by women in the services sector.

As usual, we welcome your substantive feedback and contributions. Write to us at bridgesafrica@ictsd.ch.

GENDER

The Case for Mainstreaming Gender in Trade Policy

Simonetta Zarrilli

Is trade policy an effective instrument to narrow existing gender gaps? Can more gender-sensitive trade policies hinder the spread of the anti-globalisation backlash? This article attempts to provide answers to these questions with a focus on Africa.

Trade policy is not gender neutral. The distributional outcomes of trade vary between women and men, since they play different roles in society and in the economy, and they enjoy different opportunities. Moreover, women are not a homogenous group and, therefore, they are differently impacted by trade depending on their income, position in the labour market, educational level, race, etc. If trade policies are designed without taking into account their gender-specific outcomes, these policies risk magnifying existing gender gaps. Such an outcome could then be used as an evidence of the undesirability of further market opening.

Gender equality pledges made domestically or in the framework of regional or multilateral covenants can only be implemented if they are embedded in all policies, including trade policy. Taking actions to achieve gender equality and empower women in isolation from a broad spectrum of social and economic policies deprives them of the most effective channels to become operational.

Establishing clear links between trade policy and overarching goals, including gender equality and women's economic empowerment, would further contribute to making trade a tool for sustainable development. It is important to recall the importance of trade for domestic producers in reaching much larger markets, for increasing the efficiency of domestic production and allowing it to attain economies of scale, for being a complement and a condition of the development of countries' productive capacities, as well as one of the channels of technology transfer. Undoubtedly, many countries have used and continue using trade as a means of development. However, the benefits of trade have to be assessed against its asymmetries and possible negative consequences. A way of doing so is to complement the assessment of the risks and benefits of trade for a country as a whole with an analysis of its potential impacts on different segments of the population, in particular those who risk being "left behind", including women and girls. Such an assessment may lead to the re-thinking of planned trade reforms or may point to the need for accompanying measures. The best approach is to conduct such an assessment prior to introducing new trade measures, be they based on unilateral commitments or negotiations.

How are trade and gender linked?

Trade has an impact on women's empowerment and wellbeing, and gender inequality has an impact on countries' trade performance and competitiveness.❶ Let us have a closer look at the two sides of the equation.

Trade has an impact on gender through three main channels. First, trade usually leads to changes in the structure of production; some sectors may expand because of new export opportunities, while others may contract because of import competition. Such changes are likely to affect employment opportunities, remunerations, as well as the quality and security of jobs. Second, trade induces changes in the price of goods and services, which in turn have an impact on real incomes. Finally, the reduction or elimination of tariffs due to trade liberalisation diminishes government revenues and therefore may curtail its ability to provide public services.

US\$ 28 trillion

A study by McKinsey estimates that in a full-potential scenario in which women play an identical role in labour markets as men, as much as US\$ 28 trillion, or 26 percent, could be added to global annual GDP by 2025.

These various impacts of trade can be examined through a gender lens. In the first case, the differential impact happens because women are usually clustered in some specific productive sectors and face more impediments than men to shift from one sector to another. Due to limited skills and mobility, the contraction of the sectors where they work may lead to jobs losses, with limited opportunities for employment in expanding sectors. Conversely, if women work in sectors that expand thanks to trade opening, the quality of the jobs created and the perspectives for skill development often remain limited because of horizontal and vertical gender segregation.^② Looking at the second channel of transmission, women are in general poorer than men and spend a larger part of their income on basic consumption goods. A trade liberalisation-induced reduction in the price of goods that form a large proportion of women's consumption basket has a positive impact on their welfare and on that of the household. The impact is conversely negative if women are also producers and the price of their produce declines because of increased competition from cheaper imports. Moving to the third channel of transmission between trade and gender, since women tend to rely heavily on public services, reducing their provision increases women's already heavy household burdens. For example, if education and health services are less available, women's time devoted to the young and elderly household members increases.

We now consider the second side of the equation, i.e. the impact of gender inequality on countries' trade performance and competitiveness. Using only partially the knowledge, skills, and potential of half of a country's population curtails its trade opportunities and reduces its competitiveness. Recent studies have quantified the missed growth opportunities due to gender discriminations. A study by McKinsey estimates that in a full-potential scenario in which women play an identical role in labour markets as men, as much as US\$ 28 trillion, or 26 percent, could be added to global annual GDP by 2025.^③ A United Nations study estimates that if female farmers in developing countries had the same access to productive resources as men, yields on their farms would grow by around 20-30 percent; total agricultural output would increase by 2.5 to 4 percent in those countries; and the global number of people suffering from hunger would decrease by 12-17 percent.^④ Gender gaps in access to productive resources, skills, training, technologies and knowledge have a high opportunity cost in terms of production and export with detrimental effects on competitiveness. Moreover, development considerations play an important role: since women are mainly responsible for food and children's education, diminishing women's opportunities affects not only their living conditions but also those of future generations.

Nevertheless, gender inequality has been used and is still used at present as a competitiveness strategy - for example within global value chains. Gender wage gaps exist in all countries in different degrees. Relying on female workers, who tend to be paid less and are less unionized than men, makes labour-intensive products more competitive in international markets where price competition is fierce and price elasticity of demand is relatively high. This strategy has been defined as a "low road" to international competitiveness. In the long run, it is not sustainable because it deteriorates the terms of trade, contravenes the ILO core labour standards, can become a source of social conflict, and may reduce the appeal of products to "ethical" consumers.

Trade policy implications

Having clarified the links between trade and gender, as well as their development implications, the next question is: What can be done to ensure that trade policy is beneficial for women or at least not detrimental to them? First, policymakers must have a good understanding of where women are in the economy. Second, they must assess how trade reforms may likely affect different productive sectors. Third, they should use these findings to identify the critical sectors where women are likely to be negatively or positively affected by trade. UNCTAD is developing a toolbox for the ex-ante gender assessment of trade measures to support countries to carry out this task.

While many developing countries are shifting their production and export strategies towards services, agriculture remains women's main employer in many of them. This

means that policies aimed at making agriculture more commercial and more technology- and export-oriented cannot ignore the implications for women. Let's zoom in on some specific country experiences.

Rwanda is repositioning itself in the high-quality tea and coffee export segment. Such a shift may have both positive and negative implications for women. On the positive side, it could create opportunities for women to sell premium-quality products directly to processors, traders, or retailers in the destination markets, who may reorganise the value chain beyond gender stereotypes that assign specific roles to men and women, and be interested in the "story" behind the products they trade. On the negative side, it could favour commercially-oriented farmers and crowd out small and marginal farmers, a segment that includes many women. But even the suitable positive outcomes will not materialise automatically: women need to be provided with the appropriate infrastructure and marketing networks to reap the benefits of the policy shift.⁵

Angola, for its part, is promoting a switch from the production of low-value-added staple crops to more value-added commodities. In order to avoid the risk of women being marginalised or excluded from this process, the domestic staple crops segment – where women are concentrated – also needs to become more dynamic and possibly more export-oriented. For this to happen, women's improved access to extension services, production techniques, and training in business management is necessary, as well as better enforcement of civil law on land tenure. Though the Constitution draws a clear distinction between customary and civil law and states that customary practices are accepted only if they do not violate constitutional provisions, de facto inheritance and land tenure are largely determined by customary practices that deny women the right to own property on equal terms with men.⁶ Women's traditional knowledge can also complement modern techniques and facilitate reaching foreign niche markets.

Policymakers must understand where women are in the economy, assess how trade reforms may likely affect different productive sectors, and identify the critical sectors where women are likely to be negatively or positively affected by trade.

Many middle-income developing countries have relied on export-led growth strategies. This in turn has provided huge opportunities for women's employment in labour-intensive manufacturing sectors, such as textile, clothing, and electronics, where women are supposed to possess gender specific skills. The workforce in Lesotho's apparel sector is mainly female. The expansion of the industry can be attributed to the preferential treatment that Lesotho's exports enjoy in the US market thanks to the African Growth and Opportunity Act (AGOA). While AGOA has played a key role in the development of Lesotho's clothing industry, and this in turn has had a remarkable impact on women's employment, a change in the terms of AGOA or the dilution of preferences due to preferential treatment being granted to other clothing-exporting developing countries, would jeopardise the competitiveness of Lesotho's exports and threaten the gains achieved in women's employment. To avoid dependence on a single trade instrument, export market diversification and product diversification, as well as the creation of a textile cluster, seem appropriate policy steps to take.⁷

Tourism remains one of the main sources of growth and foreign exchange in many developing countries and a sector that employs many women. Moreover, tourism has the potential to improve the livelihood of rural women and households if it is linked to the culture and tradition of a country. As in many other sectors, women face horizontal and vertical segregation. While men typically occupy a broad range of positions, women tend to be clustered into low-skill, low-paid segments. A study on the tourism sector in

Kenya showed that not only men have a significantly higher presence than women in the workforce, but they also dominate the most lucrative segment of the market, namely tour operatorship. Moreover, many more women than men are employed as seasonal, part-time, or casual workers. The study also found that cultural and societal norms, heavy household responsibilities, limited mobility, lack of adequate education, and legal obstacles related to land tenure are all elements putting women at disadvantage.^⑥ Women's role in tourism should be kept in mind when opening the different segments of the sector. Market opening bears the risk of providing only limited opportunities to women if they have no access to adequate education and training, or if it favours large hotels and resorts and leaves behind small-scale tourism enterprises – which are particularly relevant in the African context and offer opportunities to women. In parallel, gender should be mainstreamed in tourism policy, gender equality promoted in hiring and training, and linkages established between the tourism business and local micro and small enterprises.

A call for action

Gender equality is a human right and most countries are committed to it, but striving to fulfil this fundamental aspiration in isolation from a country's main strategies has proved quite ineffective. Indeed, economic policies, including trade policy, are powerful instruments to translate gender equality aspirations into reality. For this to happen, they have to be coordinated and convergent. Trade reforms should be based on a thorough understanding of their impacts not only on a country as a whole, but also on specific segments of the population, including women and men. If market opening is expected to have detrimental effects on women (or on other groups), it may need to be postponed or adjusted. In many cases, the new trade environment needs to be accompanied by flanking policies to facilitate the adjustment and absorb shocks. Trade policies developed keeping in mind the wellbeing of all segments of the population and implemented along with corrective measures may greatly contribute to reaffirm the role of trade as a tool for inclusive and sustainable development and resist anti-globalisation movements.

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- ① UNCTAD. *Virtual Institute Teaching Material on Trade and Gender. Volume 1: Unfolding the Links*. United Nations: New York and Geneva, 2014.
 - ② Vertical segregation means that men are concentrated at the top of the occupational hierarchy, while women at the bottom; horizontal segregation means that women and men carry out different tasks across occupations.
 - ③ McKinsey Global Institute. *The power of parity*. McKinsey & Company, 2015.
 - ④ United Nations Inter-Agency Task Force on Rural Women. *"Facts & Figures: Rural Women and the Millennium Development Goals."* 2012.
 - ⑤ UNCTAD. *Who is Benefiting from Trade Liberalization in Rwanda? A Gender Perspective*. United Nations: Geneva, 2014.
 - ⑥ UNCTAD. *Who is Benefiting from Trade Liberalization in Angola? A Gender Perspective*. United Nations: Geneva, 2013.
 - ⑦ UNCTAD. *Who is Benefiting from Trade Liberalization in Lesotho? A Gender Perspective*. United Nations: Geneva, 2012.
 - ⑧ Christian Michelle, Gamberoni Elisa, and José Guilherme Reis. "Gender in the tourism industry: The case of Kenya." In *Women and Trade in Africa: Realizing the Potential*, edited by Paul Brenton, Elisa Gamberoni, and Catherine Sear. World Bank: Washington, D.C., 2013.



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KENYA

Challenges and Opportunities in Kenya's Macadamia Nuts Industry: A Gender Perspective

Jane Maigua, Loise Maina and Charity Ndegwa

The macadamia nuts industry is a promising sector for Kenya's economy, but because of gender-related constraints, men and women do not enjoy the same opportunities in the value chain. What are the challenges that women face, and how can they be tackled?

Agriculture is the dominant sector in the Kenyan economy, accounting for 26 percent of the country's gross domestic production 2015, 75 percent of the labour force and 50 percent of revenue from exports.^① Tea and coffee have remained among the top export earners in Kenya's agricultural sector. However, trends are changing as more coffee farmers turn to growing what is now being referred to as the "new green gold" due to the good return it provides to farmers: macadamia nuts.^② Demand outstrips supply, with rising global prices of kernels impacting on prices of nuts in shell. For example, in Kenya in 2002, prices shot up from US\$0.07 to US\$0.23 per kilogram of nuts-in-shell (unprocessed nuts) at the farm gate. The prices have continued to rise consistently, reaching US\$1.5 per kg at the factory gate in 2017. Even though more and more farmers have planted the trees, the growing of macadamia is still at a very low level and only about 100,000 farmers are involved. The potential to reap benefits from farming macadamia nuts is still to be fully exploited.

Production and supply chain of macadamia nuts

Even though macadamia nuts are a very promising high-value crop, the benefit does not always reach the farmer as the supply chain is long, with many brokers and subagents intervening, each squeezing a margin from the final price. Farmers who sell from the farm gate and who are mostly women tend to lose out on the price. Those who deliver to the factories or to buying centres tend to benefit more. In macadamia farming by smallholders, duties and roles are not equally shared in the household. Women are largely involved in planting, pulling down the nuts from the trees with the help of their children, and de-husking the green seed coating from the nuts, mostly by hand and using crude tools. This is a reflection of how women generally participate in farming activities, being involved in the labour-intensive aspects. In some cases, processors have made de-huskers available to households, and in these instances men tend to be found in de-husking, typically intrigued and attracted by the efficiency it brings to the process.

Marketing of the nuts

In marketing the produce, men dominate the distribution chain. They take the role of transporting the produce to the buying centres, usually by bicycle, wheelbarrow or motorcycles, and get paid for what they have brought after the quality and weight of the produce has been checked. Women will not usually get involved in what is considered the hard task of transporting the nuts to the buying centres, and it is not usual for the man to take back and share the proceeds with his wife. In this context, many women report that they are happy working on the macadamia trees, as they are less labour intensive than other crops such as coffee or tea, but most often they are not able to reap the full benefits from their hard labour.

Among the reasons the women give for not being involved in marketing functions is that the business would require riding a motorcycle, a skill the women may not have or for whom it may be taboo, or driving a pick-up truck. They would have to travel long distances and be able to vet buying centres with keen security eyes, the nuts being high-value products. As the women are tied down with other household chores, they are unable to take on marketing functions that take them away from home. Some of their husbands will literally discourage them from doing so, and this will be reinforced by culture. The

agents who buy from the farms will usually be men, and very often take advantage of the women, buying at low prices and using false weights. Women agents who might take on the role of aggregation are very few in number, mostly because the amount of capital required is very high for most women and it is challenging for them to access capital as compared to their male counterparts.

Employment conditions at enterprises

There are 23 licensed processors of macadamia nuts in Kenya, predominantly owned and managed by men. The processors have a combined capacity of 180,000 metric tonnes a year and employ about 13,850 people in industrial drying, cracking, sorting and grading. It is in this highly men-dominated and competitive space that we—three Kenyan female social entrepreneurs—have decided to establish the first macadamia processing company in Kenya solely owned by women. Here we narrate some of the challenges from our perspective in setting up an enterprise which has a potential to create 60 direct decent jobs and support tens of thousands of farmers. What is unique about our social enterprise is the fact that it is strongly built upon the principle of women's economic empowerment in the value chain, and the directors are committed to demonstrating and making it possible for women to have equitable opportunities and benefits at the enterprise as well as along the value chain.

Through our own assessments and interactions with macadamia processing companies, it is apparent to us that though macadamia processing factories have generally employed large numbers of women, they are normally hired for the lower paying jobs, mainly as sorters and cleaners. The men are mainly employed for the management and supervisory functions in the factories and, hence, the women are always the lower earners. By the nature of the jobs and the intensity of production demands during the two peak seasons, employees have to work longer hours and sometimes late into the night or very early in the morning. Some work night shifts, depending on whether the factory runs round the clock. This weighs heavily on the women, who need to attend to other care work. And since the women are mostly employed as casuals, paid solely by daily output, it means that they cannot even afford adequate rest breaks as they struggle to catch up with the time they may have taken off to do care work. Reproductive roles are often seen to interfere with productive roles, as when women take maternity leave, their incomes fall significantly because they are out of production. They often come back before the babies are fully weaned because of their need for income.

Although macadamia processing factories have generally employed large numbers of women, they are normally hired for the lower paying jobs, mainly as sorters and cleaners.

Very few companies have established children's nurseries and nursing rooms, but where this has been done, the women have been more productive and happier as they can watch over their children close by. Some companies also organise transportation for women sorters to get home, especially when they work late; this is good for their security, and makes their husbands more comfortable with them working. Paying staff through bank accounts, as opposed to cash, has assisted in financial management and given the control of income directly to the women. When the women are paid cash, they can be prone to overspending, or simply turn in the cash to their husbands. Our company, the Nawiri Nuts Ltd, is committed to addressing many of the issues identified here.

Specific challenges in the macadamia value chain

Access to finance

A huge challenge that processors and agents face is access to finance. The establishment of a processing plant requires substantial amounts of money, with the processing

technologies being expensive and the cost of raw material equally high. The start-up capital is therefore at a level requiring formal financing. However, access to this is a significant barrier, particularly for women, as requirements are difficult to fulfil. For instance, financiers will require collateral in the form of property, and in many cases women do not own property, thus locking them out.

Seasonality of the harvest

Along the value chain, the seasonality of harvest and insufficient quantities of unprocessed nuts to match demand are a challenge which leads to cut-throat competition by the processors. Support is needed for the expansion of primary production of the nuts, in particular through increasing the availability of affordable seedlings. Seedlings can be grafted by groups of women through support from the processors, which also gives women alternative income streams to cover the low seasons between harvesting the nuts.

Unscrupulous traders

In Kenya, the export of unprocessed nuts was banned in 2009 under the Agriculture, Fisheries and Food Authority Act (No. 13 of 2013). However; there has still been pilferage by unscrupulous traders who sell the unprocessed nuts to countries such as China. This has presented some challenges to the already competitive space of raw material sourcing. There are also cartels among older processors who would not like to see new processors established and usually create a hostile environment for new entrants.

Supporting of gender inclusion in the macadamia value chain

There is a need to regulate and further tighten the surveillance mechanisms for ensuring laws such as the export ban on unprocessed nuts are adhered to. Farmers, and particularly women, can be encouraged to join macadamia producer associations. Traders and agents should also belong to sectoral associations, be licensed on that basis, and their supply licences based on specific contracts with local processors.

Processing companies should be encouraged to review their policies to ensure they promote equity in the workplace, and to specifically include gender aspects that will ensure better working conditions and decent work for women and men. The management and staff can be sensitised to and educated about gender-inclusion policies and practices, and their impact on company objectives. An example is the provision of a day-care facility which would enhance the productivity of nursing mothers.

Policies should facilitate access to formal financing for women and men entrepreneurs in the agricultural sector. Financiers should design products that are appropriate to the macadamia sector, which is a high cash industry, farmers being paid cash on the spot for their products. Appropriate products for start-up and for working capital should be innovative in a way that fits both women and men in their own right.

① Deloitte, *Kenya Economic Outlook 2017: Joining the Dots*. 2017.

② James Wanzala, "To Export or Not to Export? Why Question Has Plagued Macadamia Trade for Years," *Financial Standard*, 30 August 2016.

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GLOBAL VALUE CHAINS

The Gender Dimensions of Global Value Chains

Penny Bamber and Cornelia Staritz

Policy makers are increasingly turning to integration and upgrading in global value chains (GVCs) as a means of driving development. How can they ensure that both men and women can access and benefit from GVCs?

Picture this: A group of young women, dressed alike in trendy uniforms, step out from a high rise office building on their way home from work. These women are first generation college graduates who have landed their first jobs in the Philippines' growing call centre industry. In a country where GDP per capita is under US\$3,000, and many are struggling to seek out a living, or simply move abroad in search of work, the country's emergence as a leading offshore services provider has offered a very welcome opportunity.

Similar stories have frequently been used to highlight how increased globalisation has brought about important change and opportunity for women in the developing world. Other well covered examples are how the growth of ready-to-eat fresh fruit and vegetable exports in East Africa, or of apparel exports in Asia and some African countries, brought with it a boom in employment for young female workers – their first experience with remunerated work. Policy makers are increasingly turning to integration and upgrading in global value chains (GVCs) as a means of driving development, including by generating employment and raising incomes.

Yet, at the same time, reports of appalling working conditions in many export sectors such as those that led to the Rana Plaza tragedy are stark reminders that this is not always the case. For policy makers, this leads to an essential question: How and under what conditions can engaging in GVCs support economic and social development as well as gender equality?

Viewing GVCs through a gender lens

In order to understand how they can contribute to sustainable development goals, it is crucial to view GVCs through a gender lens. Access to and benefits from GVC participation are closely related to gender-specific issues. Below, we highlight five key lessons from the analysis of GVCs in different sectors.

First, participation in GVCs generally does have a positive impact on employment, and female employment, in particular. This constitutes an important step towards economic independence. As with the call centres offering young female graduates a chance to work in a global business, apparel factories provide women with jobs in manufacturing production, and the expansion of fruit and vegetable trade opens the door for female packers. Indeed, on average, 60-80 percent of production workers in apparel are women, while in horticulture 70-80 percent of packing jobs are female. As early as 2000, a large share of the female-dominated pack house workforce in Kenya and Senegal were also first-time employees.

Second, gendered division of labour in economies is largely perpetuated in GVC employment, rather than altered. Applying a gender lens in policy making and implementation is required to identify the positions and roles women and men have in GVCs, and what their specific rewards, opportunities, and constraints are. Most of the jobs created in GVCs do not challenge or dismantle gendered job segregation and related stereotypes, but are based on and use these gendered structures. This appears to be deeply rooted in social constructs and perceptions of what is considered appropriate male and female work. For example, men are typically favoured for positions that require physical strength, technical know-how, and supervisory and management skills, while

women are preferred for jobs that depend on finesse, attention to detail, and social and caring competencies. In the safari business across East and South Africa, for example, the all-important role of "driver-guide" – which pays in excess of US\$100 a day – is reserved for men, with women rather being confined to housekeeping, restaurants, and administrative work. As one study puts it "women are antithetical to the driver-guide imagery."¹

Third, gender inequality with respect to wages remains an important issue in GVC employment. Jobs where women are concentrated are often perceived as low-skilled jobs and are paid accordingly. This is related to gender perceptions of what is perceived as skilled and un-skilled. While this is in part a reflection of women being concentrated in lower value activities, there are numerous examples where women receive lower wages than men for the same work. Such is the case in the Indian cocoa sector. In the apparel sector, product segments within apparel may be paid at different rates, such as in Bangladesh where knitters receive higher wages than weavers, with men being concentrated in the former group.

Fourth, operating in global industries requires firms and workers to have access to a host of resources to provide them with the capabilities to meet the demanding standards of export markets. These include access to credit, land, education, skills, and infrastructure, among others. Access to these resources thus shapes the possibilities of both men and women to participate in different activities in any industry. However, women as a group share similar gender-intensified constraints to participate and upgrade in GVCs. These include unequal access to productive resources, training and skills development, and networks and information, as well as being more time constrained than their male counterparts due to reproductive work responsibilities. For example, in the manufacturing sector in Asia, the more technologically sophisticated country exports became, the lower the ratio of women to men in the sector. In Kenya, female-owned safari companies are still few and far between as women are often excluded from male-dominated sales networks. The same is evident in Egypt's offshore services sector where men dominate the higher paying information technology positions, while women are concentrated primarily in call centre agent positions.

Finally, this is not a one-way relationship, however, with economic participation affecting the social conditions in which men and women work. Gender inequalities can both facilitate and inhibit industry competitiveness. Low wages and flexible employment of predominantly female workers help reduce costs for employers, enabling them to offer cost-competitive, flexible, and high-quality products. But there may be a trade-off between short-term gains and longer-term upgrading. The gendered constraints highlighted here can undermine a country's competitiveness to engage in GVCs. In small economies such as Costa Rica, women form a formidable part of the country's offshore services workforce; without engaging and educating these women, the country would effectively be trying to participate in a highly competitive industry with just half the available labour. Similarly, restricting women's access to land and capital in the agricultural sector can undermine access to higher returns and high quality products. In Senegal's successful French bean exporting sector in the early 2000s, less than 1 percent of contract farmers were female as they lacked access to land and resources. Exporters in Honduras, however, found that once they opened outgrower programs to women, their credit repayment rates were almost 100 percent, while the quality of the output was superior to that of their male counterparts.

Policies need to take into account gender issues

Policies need to ensure that trade is used as an enabler of sustainable development by increasing the value captured from participating in GVCs, securing equal access to the benefits for both women and men, and creating a gender-inclusive and sensitive environment by reducing gendered job segregation and gender-intensified constraints.

Most importantly, trade, industrial, export promotion, and GVC intervention policies need to take into account gender aspects to make policies more effective drivers of sustainable development based on gender equality. Otherwise, the development outcomes of GVC integration and its contribution to the SDGs may be well below its potential. Policies have

to take the following issues into account to ensure that both men and women can access GVCs, improve their positions, and gain from upgrading:

First, as a basis for policy interventions, a gendered GVC analysis is essential as this improves understanding of the roles men and women play in these chains, how access to and exclusion from particular activities differ by gender, and the gender-intensified constraints and opportunities in GVCs. Without including gender-based differences, policies may address the wrong issues and actors.

Second, economic upgrading should be supported, taking into account gender-based segregation and constraints. Economic upgrading is crucial for long-term development and also to ensure sustainable and high-quality employment and better bargaining power of supplier firms. In order to ensure that economic upgrading also goes along with positive gendered outcomes, a dual policy strategy should be used: first, to improve the conditions for women in occupational and sectoral activities they are already concentrated in, and then to open new opportunities for women that counter traditional gender roles and stereotypes.

Third, the quality and nature of female work should be improved by supporting social upgrading. Given that women are the majority of workers and producers in many labour-intensive stages of GVCs, especially in low income countries, securing social and labour rights is key. Social upgrading initiatives should include ensuring enforcement of core labour standards, non-discrimination, and equality in wages, working conditions, career mobility, and job opportunities between women and men.

Fourth, actions by all GVC actors, including governments, lead firms, industry associations, trade unions, and NGOs should be leveraged. Particularly, lead firms can play a pivotal role, as their production and sourcing policies may reinforce gender issues. These firms can drive change by including a gender lens to their employment, training, sourcing, and corporate social responsibility policies, as well as supporting their suppliers to adopt gender-sensitive policies.

Fifth, trade-related policies should mainstream gender aspects. Leveraging multilateral trade interventions, such as Aid for Trade, is particularly effective to help countries mainstream gender issues into trade support through information sharing, capacity building, and targeting aid programmes at areas where women are concentrated and/or face particular challenges.

Sixth, complementary policies focusing on overcoming gender-based segregation and constraints embedded in laws or in socially constructed gender norms need to be aligned with trade-related policies. Most important are improving access to information and networks for women; increasing access to training, as well as finance, and productive resources for women; and reducing the burden of reproductive work on women.

While there is no “one size fits all” approach, combining economic and social upgrading as well as gender equality often requires multi-stakeholder collaboration between public, private, and civil society actors within GVCs to ensure competitiveness, value addition, labour rights, and gender equality are not viewed as mutually exclusive but as reinforcing objectives. This is required if GVC integration should lead to upgrading and sustainable development.

This article is based on a longer [study](#) published by ICTSD.



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INDUSTRIAL GOODS

Exploring the Trade and Gender Nexus: The Case of Manufacturing in COMESA Countries

Nursel Aydiner Avsar and Mariangela Linoci

How did the setting up of export processing zones (EPZs) in COMESA countries affect women? How do tariff changes affect female employment in the manufacturing sector?

The Common Market for Eastern and Southern Africa (COMESA) was formed in 1994 to replace the former Preferential Trade Area for Eastern and Southern Africa, which had been in place since 1981.^① COMESA is currently the largest operational free trade area in Africa, and 16 of its members have gradually moved towards the free trade regime established in 2000, providing duty-free and quota-free market access for COMESA-originating products. As discussed in the article by Simonetta Zarrilli in this issue, trade policy is not “gender neutral”, and its distributional outcomes may vary according to the different economic roles played by women and men as workers, producers, and consumers.

The manufacturing sector can play a significant role in the shift to higher value-added activities, the expansion of exports, as well as in the technological upgrading of an economy. Liberalisation of trade in manufactured goods has often been associated with significant gendered outcomes, particularly in women’s role as workers. Indeed, the female share of employment expanded in many developing countries following the expansion of labour-intensive production under trade liberalisation policies – a phenomenon known as the “feminisation of labour.”^②

More recent shifts from labour-intensive to capital-intensive production in the manufacturing sector, along with consequent increases in wage levels, have begun to attract more men in manufacturing, hence contributing to a decline in the share of female employment. This phenomenon has been defined as the “defeminisation process.”^③ Yet, as explained here, the impact of trade liberalisation on women’s employment is largely country- and context-specific. This article first presents the employment patterns in the export processing zones (EPZs) operating in the manufacturing sector of some COMESA countries from a gender perspective, and goes on to illustrate the broader impacts of trade integration in the manufacturing sector within the COMESA region.

Employment patterns, wages, and working conditions in EPZs

Since the 1960s, EPZs have played a key role in improving the export competitiveness of many developing countries thanks to their special incentives which provide a competitive business environment for firms. Export-oriented industrialisation can have significant gender-specific effects, as very often, employment opportunities available to women have been linked to the expansion of production for export. Women have indeed constituted the majority of workers employed in EPZs in developing countries, ranging from 50 percent up to 90 percent in some cases.

EPZs have been instrumental in providing formal employment and a stable source of income to women who held informal jobs or were outside the labour market. The improvement in women’s economic situation and the acquired financial independence certainly had positive repercussions on women’s empowerment and bargaining power within their households and the society at large. Nevertheless, employment in the EPZs has proven to be double-edged for women: even when basic labour standards are respected, working conditions in EPZ factories can be harsh, particularly for women who are typically found in the most vulnerable positions. In terms of occupation, women tend to be concentrated in low-paid and unskilled jobs. For instance, in segments such as

packing, sewing, and cutting, female workers are the vast majority of the workforce (up to 90 percent in some countries in Sub-Saharan Africa). Occupational segregation by gender, which typically confines women to unskilled and labour-intensive activities, hinders any possibility for skill development and advancement in the workplace. Moreover, wages in EPZs are often low and barely sufficient to cover basic living expenses such as food and housing, and thus do not enable workers to build up any savings or improve their life standards.

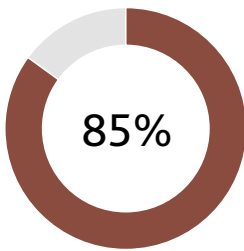
Within COMESA, seven countries have created EPZs, particularly in the textile and clothing industry: Egypt, Kenya, Madagascar, Malawi, Mauritius, Namibia, and Zimbabwe. Trends in female employment in EPZs in COMESA countries confirm the pattern that EPZs tend to employ more women than men – resulting in a “feminisation” of labour. For instance, in Mauritius, the number of female workers in manufacturing increased from 18,400 to 61,200 between 1983 and 2001, owing mainly to the creation of new jobs in EPZs. The role of female workers in the textile factories is indeed considered to have been crucial in the so-called “Mauritius success story”. Likewise, in Kenya, the number of women employed in the manufacturing sector has increased by 76 percent over the period 1990–2000, and in Kenyan EPZs, women constituted 60 percent of the total workforce in 2006. Madagascar experienced a remarkable expansion of about 150,000 jobs in the apparel sector during the period 1997–2003, with more than 80 percent of the new jobs filled by female workers.⁴

Occupational segregation by gender, which typically confines women to unskilled and labour-intensive activities, hinders any possibility for skill development and advancement in the workplace.

Regarding the recent trend of “defeminisation” of labour, existing statistics do not offer sufficient evidence on whether defeminisation has also taken place in the COMESA region. Yet, the limited data available suggests that, since the early 2000s, female employment has indeed lost ground in the broader manufacturing sector of some COMESA countries. Additionally, the economies of low-income African countries that were heavily relying on textile exports were hit by the phasing out of the Multi-Fiber Arrangement (MFA) in 2005, which had previously shielded them from more competitive Asian suppliers. Countries such as Madagascar and Mauritius experienced an absolute decline in their textile and garment exports, with female jobs being especially affected.

As far as wages are concerned, the impact of EPZs on women's earnings is not always clear-cut, as it is usually linked to country-specific differences in terms of labour markets, economic structures, and EPZ characteristics. For instance, research conducted in Madagascar during the period 1995–2001 has shown no significant gender gap in the hourly wages of male and female workers, as opposed to other sectors of the economy where men earn more than women. Wages in Malagasy EPZs were in average lower than those in the public sector or in non-EPZ firms, but nonetheless higher than wages in the informal sector. This suggests that formal employment in the EPZs has offered possibilities for improvement in salary conditions as compared to informal jobs. In addition, female workers' shift to formal occupations in the EPZs has prompted an upward pressure on wages in the informal sector, and this has indirectly benefited informal female workers. Overall, it can be said that increased employment opportunities in the free zones have led to greater gender earnings equality in Antananarivo during the period surveyed.⁵

Turning to working conditions in the free zones, despite the new opportunities for formal employment for women, the quality of jobs created has been widely questioned. For instance, in Madagascar, while the expanding textile industry hired equally qualified men and women, female workers were concentrated in the lower segments of the textile



In Kenya, 85 percent of female workers are employed on short-term contracts.

production, with lower wages and low-skilled positions. In addition, the setting up of EPZs is often correlated with a weak enforcement of national labour laws or with the prohibition of collective bargaining and freedom of association. Overtime is the norm and EPZs workers are often found to be working longer hours compared to workers in the broader private sector or the public sector. Of course, this has important implications for women's burden in terms of care work. Also, turnover rates are often high, raising questions about the quality of employment. For instance, in Madagascar, the annual turnover rate of EPZs' employees is estimated to be around one fifth, while this proportion falls to one out of ten in the private sector. Another recurring criticism of EPZs has to do with the precariousness of employment and the absence of long-term employment opportunities. In Kenya, 85 percent of female workers are employed on short-term contracts, while in Malagasy EPZs women are less likely than men with similar qualifications to be promoted.⁶

Overall, EPZs appear to have been instrumental in integrating women in the formal sector in COMESA countries, and they contributed in some cases to the reduction of the gender wage gap. However, evidence from the COMESA region has also confirmed that working conditions may not always be favourable to women, and will even likely worsen their work burden, similarly to what has been witnessed in EPZs in other developing countries.

The link between trade and female employment in manufacturing in COMESA

UNCTAD analysed the impact of trade policy on female employment in the manufacturing sector in COMESA countries.⁷ Specifically, the study estimated the impact of tariff changes on the female-to-male ratio in the manufacturing sector, using firm-level data for five COMESA countries – the Democratic Republic of Congo, Egypt, Kenya, Uganda, and Zambia – and looking at the tariffs faced in the European Union (EU) market and in the market of member states of the future Tripartite Free Trade Area (TFTA) that is being negotiated among members of COMESA, the East African Community (EAC) and the Southern African Development Community (SADC). The findings of the study are informative about the expected impact of future trade agreements with the EU (the Economic Partnership Agreements, EPAs) as well as EAC and SADC (the TFTA).

The results show that the reduction of the tariffs faced by COMESA exporters when entering the EU market and the markets of future TFTA member countries is expected to have a negative effect on women employed in production tasks.⁸ Specifically, it is predicted that a one percent decrease in the tariffs faced in the destination markets – both under EPAs and the TFTA – will result in a 5 percent decrease in the female-to-male labour ratio in exporting firms. This suggests that further trade liberalisation between COMESA countries and the EU and TFTA members states may lead to the expansion of male-intensive, export-oriented production activities at the expense of women, contributing to the defeminisation of labour force in production tasks in the manufacturing sector. It may also be the case that technological upgrading reduces the opportunities for production workers, of whom women constitute the most vulnerable segment.

On the contrary, the reduction of tariffs in the EU market and in the markets of TFTA members is estimated to have a positive effect on women in non-production tasks.⁹ Precisely, it is predicted that a one percent decrease in tariffs faced in the destination markets will result in a 3.4 percent increase in the female-to-male ratio in non-production tasks. The implications of technological upgrading for the need for physical versus cognitive skills seem to be at work in COMESA countries as well. Technological upgrading is expected to benefit women in non-production tasks by reducing the relative need for physical skills. Reduction of average tariffs imposed on imported products into COMESA countries is found to have only a marginal effect on the female-to-male employment ratio in both production and non-production tasks.

As an illustration, in Zambia for example, for whom the average tariffs faced in the European market are 4 percent, the signing and implementation of the EPA is expected to translate into a 20 percent decrease in the female-to-male ratio in production tasks in the manufacturing sector's exporting firms. The EPA would, on the contrary, work to the advantage of women in non-production tasks, increasing the female-to-male

employment ratio in the exporting firms by 13 percent. Overall, it seems like the EPA and TFTA would imply a feminisation process in non-production tasks and a defeminisation process in production tasks in the manufacturing sector of the COMESA countries that are being investigated.

Policy recommendations

The example of COMESA countries shows that trade policy can play a catalytic role in job creation for women, providing opportunities for women's empowerment and wellbeing through formal employment and stable incomes, as in the case of EPZs. However, it can also concurrently generate new patterns of inequality and vulnerability.

In the context of increased international competition, which is likely to cause both gains and losses for different segments of the population, measures aimed at making the trade environment more gender sensitive and supporting the women involved in those most vulnerable segments should be encouraged. They include the following:

- Promoting programmes aimed at developing women's human capital and skills, so as to reduce or mitigate the possible adverse effects of trade liberalisation on women in the labour market, but also to enable workers to shift between industries when the trading environment or trade policy changes;
- Taking steps to integrate women into new and expanding industries through on-the-job training and skills development programs;
- Incentivising both horizontal and vertical gender mobility, particularly in EPZ, to curb female segregation in low-skilled occupations, integrate them into technical, high-skilled, or traditionally masculinised work, and close the gender wage gap;
- Ensuring protection of EPZ workers' rights, including against various forms of gender-based discrimination that women workers face;
- Ensuring adequate safety nets and the provision of basic public services such as education, health, and social protection services that contribute to reduce and redistribute women's burden of unpaid work.



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- ① As of June 2017, COMESA was comprised of Burundi, Comoros, Democratic Republic of the Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, and Zimbabwe.
- ② Standing, Guy. "Global Feminization Through Flexible Labour: A Theme Revisited." *World Development* 27, no. 3 (2009): 583–602.
- ③ Kucera, David, and Sheba Tejani. "Feminization, defeminization, and structural change in manufacturing." *World Development* 64 (2014): 569–82.
- ④ UNCTAD. *Trade and gender linkages: An analysis of COMESA*. United Nations: Geneva, 2017.
- ⑤ *Ibid.*
- ⑥ *Ibid.*
- ⑦ *Ibid.*
- ⑧ The "production" category coincides with the traditional blue collar category.
- ⑨ The "non-production" includes white-collar-type of activities.

SERVICES

The Gender Dimension of Services

Julia Lipowiecka

What are the gender-based constraints faced by women in accessing employment and business opportunities in the service sector? How can governments tackle these barriers through gender-sensitive policy interventions?

The service sector makes a substantial contribution to the world economy, providing jobs, crucial inputs, and public services. In 2014, it accounted for almost 71 percent of global GDP.^① A competitive service sector contributes to development in four key ways: through output growth and productivity gains; through effects on employment and national incomes; through effects on the range and quality of services, including key social services and business services; and by diversifying the economy and offering a source of competitive and comparative advantage in terms of trade. In fact, research has shown that through output growth and productivity gains, services have the potential to contribute more to economic growth, job creation, and poverty reduction than manufacturing.^②

As a key driver of economic growth, the service sector can indirectly contribute to significant gender equality outcomes and support the realisation of Sustainable Development Goal 5 (SDG 5), which aims to “achieve gender equality and empower all women and girls,” and other gender-related SDG targets. As countries develop and household incomes grow, families are more willing to allocate resources to the education and health of girls. The creation of more jobs through growth allows for the entry of more women into labour markets, and ultimately contributes to changes in social norms and perceptions about gender roles, improving women’s legal, social, and economic status.

Beyond the general economic impact, services also affect women more directly as producers and consumers through the employment and consumption channels. In fact, countries where services account for a higher share of employment have higher female labour force participation rates.^③ The presence of employment opportunities for women in the service sector can also result in women being more highly valued socially and economically, with the perceived returns on investment improving attitudes and incentives towards girls’ education. Finally, in most developing countries, women assume a disproportionate share of family and community-support responsibilities. An improvement in the availability and price of vital services can reduce the domestic and social care burden on women, freeing them up to engage in formal employment.

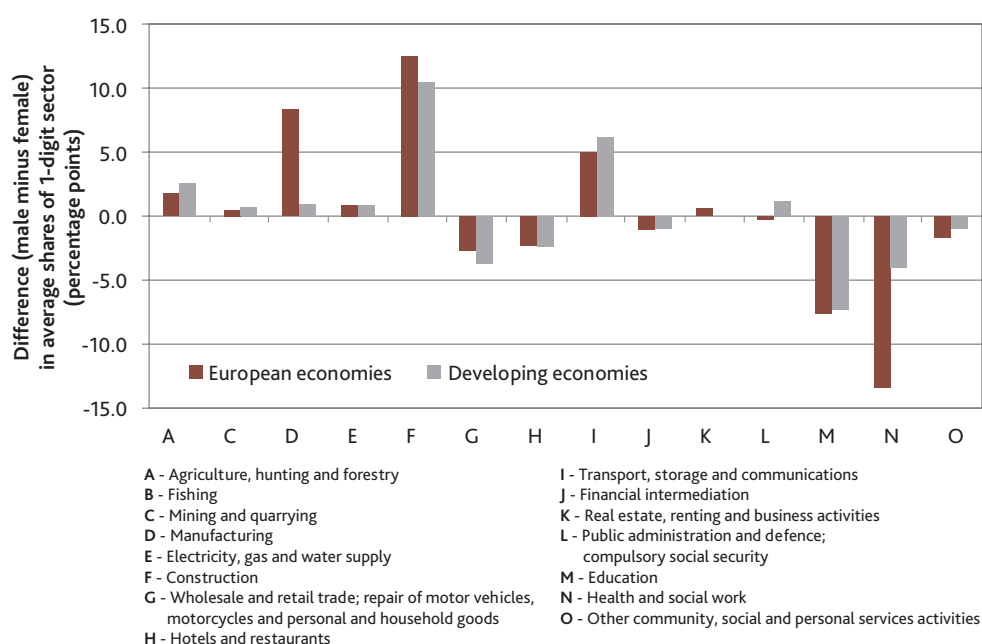
There is also a strong instrumental rationale for greater inclusion of women in the economy, including the service sector. Greater labour force participation of women can be a source of competitive advantage for the economy, but also contribute to more inclusive growth, including improving distributional dynamics and well-being within households. It can stimulate short-term growth through higher consumption expenditure, while also stimulating long-term growth through higher savings. At the same time, equal access to educational opportunities for girls and women allows for greater accumulation of skills and expertise in the labour force and thus raises the growth potential of the economy, as educated women can undertake higher value-added economic activities. Greater decision-making power for women over household resources and family size has the potential to enhance the human capital of the next generation, as children benefit as a result of more spending on food and education. The service sector is more skill-intensive than other sectors, and by improving human capital and productivity of labour for current and future generations, gender equality in terms of educational attainment can contribute to service sector competitiveness.

Women's participation in the services sector

Statistics indicate high levels of female employment in service sectors, with services globally accounting for almost 50 percent of female employment in 2013.⁴ Women are increasingly moving out of agriculture in developing countries, and out of industry in developed countries, and into services. Female employment in services is particularly high in advanced economies, where women's employment in industry has halved, and more than 85 percent of women are now employed in the service sector, primarily in health and education. While in developing countries the majority of women are still employed in the agricultural sector, the share of women employed in services increased by 7.6 percent between 1992 and 2012 and is likely to increase further as opportunities in the service sector grow.⁵

In developed and developing economies alike, women are represented across a more limited range of occupations in the service sector than men. Figure 1, showing a detailed sectoral breakdown across selected developed and developing economies, indicates a higher concentration of women in wholesale and retail trade, hotels and restaurants, education, health and social work, and community, social, and personal services. There is a clear horizontal segregation of women in sectors that are generally characterised by low pay, long hours, and informal working arrangements. Women are also often present in unorganised sectors, such as domestic and care work, limiting their wage-bargaining power.

Figure 1: Differences in average shares of the 1-digit sector⁶ by sex in selected developed and developing economies, latest year available after 2000



Source: ILO, 2012.

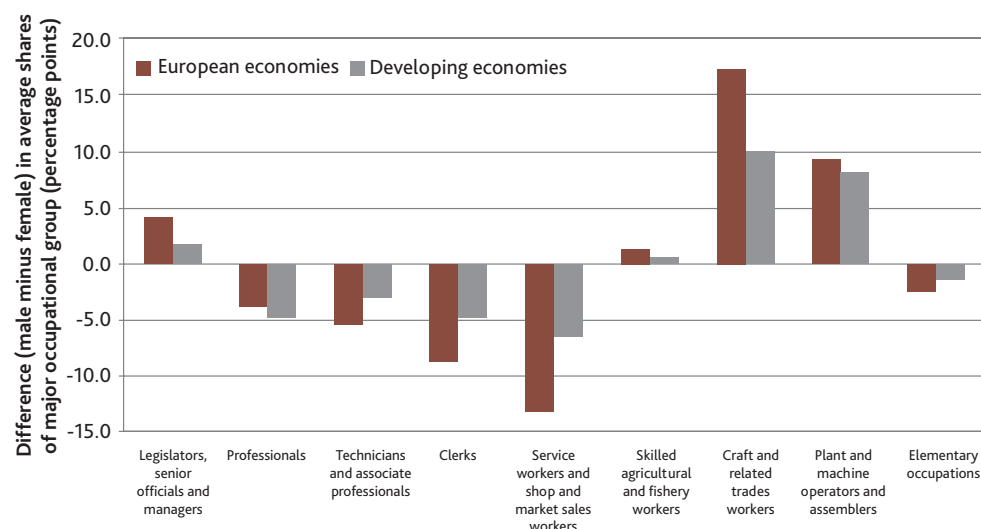
This also has implications for the liberalisation of trade in services, as the benefits of trade are unevenly distributed, with some sectors expanding and others contracting. Since women are clustered in fewer sectors and have access to fewer resources than men, they are often less likely to enter expanding sectors, are more susceptible to informalisation and vulnerable work associated with international competition, and are more likely to lose out due to trade-related adjustment. Due to their care burden and gender-based discrimination, women often have less access to vocational and business training programmes. These types of limitations in access to skills upgrading can particularly hurt women when economies move up the technological ladder or labour displacement occurs due to trade.

Public or government services have traditionally provided an important avenue for women's participation in the service sector. However, with the increased privatisation and liberalisation of service sectors in many developing countries, women have turned to

growing employment and entrepreneurial opportunities in the private services sector. In many developing countries, the more traditional, non-tradable, low-productivity services with reduced capital accumulation potential such as small retail trade, restaurants, and personal services are the ones accounting for the increasing share of services in GDP and in total employment, especially of women. Similarly, austerity measures introduced after the financial crisis in many developed countries have been particularly harmful to service sectors in which women are concentrated, such as elderly and child care, healthcare, and education.

Vertical labour segregation is equally present in the service sector. Women tend to be concentrated in low and mid-cadre occupations, with few rising to positions of management. As shown in Figure 2, women's employment globally is more heavily concentrated in mid-skills occupations, such as "clerks and service workers" and "shop and market sales workers," while men are more present in high-skilled occupations such as "craft and related trades workers," "plant and machine operators," and "managerial and legislative professionals." Such vertical labour segregation along gender lines suggests that due to various gender-based constraints, women do not have the same opportunities as men to access the full range of occupations, or the required skills and training.

Figure 2: Differences in average shares of major occupational groups by sex in selected developed and developing economies, latest year available after 2000



Source: ILO, 2012.

Similarly, a World Bank survey of the providers of professional services in Eastern and Southern Africa found that women represent only 6 percent of top senior positions and 12 percent of second most senior positions in professional services firms.⁷ These figures are also broadly comparable with data from developed countries. The under-representation of women in senior positions is related to the various institutional barriers women face. Women's limited access to education and training opportunities often means they lack the necessary qualifications and skills necessary to fulfil senior positions. Gendered stereotypes that create bias in recruitment and promotion as well as the lack of work-life balance also act as barriers to greater gender diversity in leadership roles, particularly in the STEM (science, technology, engineering and mathematics) and finance industries.

Women in services are more likely than men to be found in precarious forms of work and non-standard employment. Non-standard employment is characterised by temporary or short-duration employment contracts, low wages, limited or no social security benefits, work at multiple worksites, low-skill or medium-skill job requirements with limited career prospects, and lack of representation. In many cases, employers use precarious work to evade their obligations to provide social security contributions, pensions, maternity and family leave, overtime payments, vacations, and occupational health and safety. Because of time poverty, many women seek out flexible and non-standard working arrangements in the form of part-time, temporary, and/or informal jobs. However, this can reinforce

their specialisation in non-market work, because informal jobs pay lower wages than full-time and formal jobs and are less valued.

Globally, female participation in the ownership of services firms and the proportion of female top managers of services firms is higher compared to manufacturing (WEF 2016). A possible explanation for this is that it is easier for women to participate in the ownership of services firm given the predominance of small firms in service sectors. Lower entry costs and lower capital requirements in services may be particularly attractive to women who often face greater difficulties in accessing credit than men.

Women entrepreneurs engaged in trade in services are often impeded by limited access to productive resources, including lack of access to quality inputs and equipment, capital, and credit. According to the World Bank, 70 percent of women-owned SMEs in developing countries have issues with accessing finance. This lack of access to finance limits the growth potential for women-owned enterprises and makes entrepreneurs risk averse towards entering export markets. Analysis of data from the enterprise surveys undertaken throughout a large number of developing countries shows that, in general, firms with female management tend to be smaller than firms with male managers in both manufacturing and services, and are less likely to export.⁸

The role of policy

The analysis in this article has thrown up two important implications for policy. First of all, it has emphasised the important contribution that services can make to economic growth, employment, poverty reduction, and gender equality. Enhanced competitiveness of the service sector can play an important role in the achievement of SDG 5 in terms of empowerment of women and girls and other gender-related SDG targets. Secondly, it has shown that gender inequalities that manifest themselves in economic transactions, relations, and institutions also structure women's participation in services, restricting the competitiveness of the sector and limiting the ability of women to benefit from the opportunities created by service trade and service sector growth. In order to foster competitiveness and to ensure that the benefits of growth in services accrue to both men and women, this section discusses a range of policy interventions.

Supportive policy and regulatory environment for women service workers

Some of the policies that can facilitate easier access to the labour force for women include provision of childcare, regulation relating to equality and non-discrimination in employment, and policies that encourage equal sharing of domestic responsibilities between men and women, such as equal parental leave. There is also a need to expand social protection measures to reduce women's vulnerability, invest in their skills and education, and implement policies to foster access to employment across the occupational spectrum. Ensuring that both foreign and domestic service suppliers are covered by national employment legislation, including on equal pay, healthy working conditions, and childcare and maternity leave provision, can prevent the clustering of women in lower-skilled, lower-pay, vulnerable types of employment as a result of trade liberalisation.

Engagement with the private sector

For the private sector, much of the focus has to be on changing the organisational culture of businesses in terms of the pay, working conditions, and quality of work offered to women. This includes improving the provision of education and training, mentorship opportunities for women to allow them to access opportunities higher up the career ladder, and changing recruitment and human resources practices to ensure career progression for women. It also means encouraging a better work-life balance for women with care responsibilities through flexible working hours, teleworking, and extended parental leave. Addressing the vertical segregation of women may also require affirmative action through the use of quotas and targets to promote greater diversity at top management levels. While not legally binding, voluntary codes of conduct such as the UN Global Compact Women's Empowerment Principles are an important step forward in terms of creating inclusive business processes in the age of greater brand sensitivity.

Capacity Building and Financial Support for Women Entrepreneurs

For women entrepreneurs engaged in services, the focus has to be on addressing their limited access to credit. New women-specific financial products that minimise documentation requirements, use innovative credit-scoring models and flexible collateral, and promote branchless and mobile financial services are a step in the right direction. However, often the provision of financial services does not necessarily lead to adoption, and tackling issues such as women's land rights and financial literacy and illiteracy is still necessary.

Interventions that address the gender skills gap and women's access to business networks are also needed. Skills training and vocational education programmes need to be implemented in a manner sensitive to women's disadvantages regarding mobility and time. Targeted interventions, executed through women's business membership associations, can assist women in pursuing new customers and markets through business development services, mentorship, and networking. In their export promotion efforts, governments need to ensure higher visibility of women service exporters – this could be done by staging service-specific trade events with targets for the participation of women and ensuring female representation in trade missions. Greater use of ICT by women entrepreneurs can also help them access new markets through online commerce and digital technology.

Mainstreaming gender in trade policy

Finally, mainstreaming gender in trade policy can help ensure not only that women and men are equally able to take advantage of the opportunities created by trade, but also that trade expansion actually plays a critical role in narrowing the gender gap. Examples of practical steps include ex ante gender impact assessments of trade agreements and policies, as well as adopting a proactive approach to ensure women's participation in any consultation processes guiding policy design.

Trade in services liberalisation can bring important benefits, but can also create risks for women if gender-sensitive policy frameworks are not in place. To prevent this, governments need to put in place social upgrading initiatives, including enforcement of labour standards, non-discrimination and equality in wages and working conditions, and facilitation of career mobility and job opportunities for women through skills training. Trade liberalisation also creates winners and losers, and governments may need to invest in social safety measures that will cushion the poor, and particularly women, against the costs of adjustment as the composition of output and employment changes in response to services liberalisation. Likewise, when liberalising sectors that provide essential services such as water, sanitation, energy, and health, governments need to ensure both foreign and domestic suppliers meet levels of universal service or, alternatively, cross-subsidise the provision of services in certain disadvantaged areas or for vulnerable groups.

This article is based on a longer study published by ICTSD.



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- ⑥ 1-digit codes designate major divisions in the standard industrial classification of all economic activities
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Publications and Resources



Options for WTO Negotiations on Agriculture Domestic Support – ICTSD – May 2017

This information note analyses various options for negotiating agricultural domestic support – one of the three pillars of WTO negotiations in the area of agriculture –, drawing on ideas that have been put forward at the WTO. It examines the implications of various approaches for countries' actual support levels as well as for their maximum permitted ceilings under WTO rules, and looks in particular at those products that are especially important to low-income countries. <http://bit.ly/2se0fxo>



How do Trade Distortions Affect Markets for Farm Goods? – ICTSD – May 2017

This information note analyses the degree to which global markets for key agricultural products are affected by distortions resulting from government policies, with a view to helping inform the debate over updating global rules in this area in the run-up to the WTO Buenos Aires ministerial conference in 2017 and beyond. It finds that support remains concentrated on a relatively small number of products, with support for rice, maize, beef, pork and dairy being particularly important. <http://bit.ly/2tbXOIG>



The 2030 Agenda and the Potential Contribution of Trade to Gender Equality – ICTSD – September 2016

This paper reviews the many inequalities in women and men's participation in economic life and makes the important argument that improving women's economic opportunities is a significant challenge for both developed and developing countries. It articulates specific policy challenges facing governments that want to use international trade to support women's empowerment as employees, entrepreneur and cross-border traders, and outlines trade policy options that could help to meet these challenges. <http://bit.ly/2dZPKFY>



The Gender Dimensions of Services – ICTSD – September 2016

This paper provides an in-depth analysis of the gender-based constraints faced by women in accessing employment and business opportunities in trade in services, and the wider service sector. Additionally, the paper offers a set of policies that support equal access to the benefits of services growth for both genders, and create an inclusive policy and regulatory environment that reduces the gender-based constraints faced by women wage-workers and entrepreneurs in the services sector. <http://bit.ly/2eeioRf>



The Gender Dimensions of Global Value Chains – ICTSD – September 2016

Taking gender issues into account and addressing them is critical to harness the potential for global value chains (GVCs) to contribute to both sustainable economic and social goals. This paper seeks to integrate gender into the global value chain framework, to assess the gender dimensions of integration and economic and social upgrading in GVCs, and to offer GVC-related policy recommendations that support economic and social development. <http://bit.ly/2dic76T>

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