

**Gender Justice in Trade Policy:
The gender effects of Economic
Partnership Agreements**

Advocacy Tool



OVERVIEW¹

Looking at Tanzania, Mozambique and Jamaica, One World Action/Commonwealth Secretariat's new research² explored the effects of Economic Partnership Agreements (EPAs) between the European Union and the African, Caribbean and Pacific (ACP) countries on women's rights and gender equality. It provides the first detailed economy-wide analysis of the likely gender effects of EPAs based on the goods tariff liberalisation schedules agreed by the three countries. The gender-aware framework and analytical approach developed could be used to examine other EPAs and other trade agreements.

“Gender inequalities and trade interact. Trade reforms are likely to have gender-differentiated effects because of women’s and men’s different access to, and control over resources and their different roles in both the market economy and the household. In turn, gender inequality may limit the gains from trade, for instance through its impact on the process of innovation.”
Fontana, 2009

FRAMEWORK FOR ANALYSING TRADE AGREEMENTS WITH A GENDER APPROACH

Under an EPA, ACP countries are expected to offer duty-free access to “substantially all” EU imports. Assessing the likely impact of such agreement requires considering: the import competition effect on production and consumption and the revenue effect on the provision of public services. The strength of these effects will be determined by import increases and price decline in the ACP markets and will be felt differently by women and men in their roles as producers, consumers and users of services.

The organisation of production and reproduction differs from one society to another, yet it is based on the different gender roles and responsibilities ascribed to women and men. Locating women in their multiple roles will help in assessing the impact of trade on women and men.

A three-step framework was designed for this research. The first step is to develop a **detailed gendered picture of the economy** based on the following questions:

1. What is the gender composition of the labour force? In which sectors do women and men work? What is the proportion of female and male workers in sectors which will be exposed to competition from the EU? What is the gender composition of sectors with potential for expansion?
2. What are the working conditions, earnings and labour market segmentation? How easily could women and men who lose their job relocate to more dynamic sectors and access ‘decent’ forms of employment?
3. What is the access to and control over resources such as land, credit, inputs, etc. by gender?
4. What are the time burdens and gender division of household responsibilities?
5. What are the consumption patterns of different household?
6. What is the public provision of social services? How extensive, and who benefits?

The second step is to **review the lists of goods to be liberalised and those excluded**. The gender characteristics of production and consumption of selected products in these lists can then be analysed. The third step is to **examine the revenue effect of the tariff changes** from a gender perspective.

KEY RESEARCH FINDINGS

Employment/Production effect

The employment and production effects of trade liberalisation on women will depend on the extent to which women are employed in the sectors sensitive to import competition, but most importantly, their ability to relocate to an expanding sector of production. Under an EPA, women's employment is likely to be minimally affected in Jamaica, Mozambique and Tanzania. Most of the products to be liberalised are not locally produced, nor are they major exports from the EU.

For instance, in Mozambique where women are concentrated in agriculture, only 3% of the goods to be liberalised are agricultural. The increasing availability of manufactured intermediate imports such as irrigation pumps and agro-processing machinery could contribute to enhancing small-scale women farmers' productivity. However, women's access to new technologies, information and other resources cannot be assumed and represents a typical gender disadvantage. Unless specific measures to facilitate women's economic mobility and occupation are taken, equitable access to those opportunities will remain unavailable.

Sectors such as dairy and fishery in Tanzania and several textiles and apparels sectors in Jamaica are other examples of protected sectors where women constitute the bulk of the workforce. It was not possible to assess if liberalisation of some female-intensive sub-sectors, such as knitwear in Jamaica, would be further impacted negatively; these sectors have been weakened already by competition from low-cost producing countries and relocation of some companies.

In Jamaica, any change due to liberalisation of goods will likely affect male (most probably unskilled or semi-skilled) jobs more than female jobs, since men are the majority of workers in agriculture and in industry.

Consumption effect

If EU imports result in cheaper consumer goods, women could benefit as the primary home manager. But the findings from our research suggest that the consumption effect is rather regressive: imports, such as washing machines in Mozambique or gas cookers in Tanzania, will most likely benefit the wealthier as they are not consumed by poorer households. Increasing availability of household appliances could reduce the workload of wealthier women living in areas with good access to electricity (7% of Mozambican households have access to electricity and 0.2%, mostly in urban areas, own a washing machine), but an indirect effect could be a drop in demand for domestic workers, most of whom are women.

Revenue loss effect

The loss of government revenue from tariff removal constitutes the most immediate and significant impact. The estimated revenue loss is larger for Mozambique (2% of revenue) where the bulk of liberalisation will happen in 2009, leaving very little time to compensate for lost revenue. By contrast, in Tanzania products with the highest tariffs will be liberalised in the last stage (2023) and in Jamaica only 1% of the loss will happen in the 2011/2013 period.

The loss of revenue from trade tariffs and likely consequent expenditure cuts may hinder a government's ability to pursue sound social development policies, which will affect women disproportionately. The Tanzanian government recently proposed cuts in the water and sanitation budget, despite evidence documenting a heavy time-burden for women and girls. Furthermore, a government's revenue substitution plan to replace tariff losses, such as indirect taxation (e.g. VAT on food), is likely to affect women's consumption patterns, thereby threatening household's food security.

KEY MESSAGES

- There are **three initial essential** steps to ensure trade liberalisation translates into economic benefits and social inclusion for all members of society, particularly women:
 1. A detailed gender picture of the economy;
 2. An analysis of the gender characteristics of production and consumption of products and services to be liberalised and excluded; and
 3. A gender analysis of the revenue effects of tariff changes.
- The extent to which the majority of women, especially poor women, will reap benefits from EPAs is not straightforward.
- A combination of measures and policies is needed to ensure that the benefits will not remain in the hands of the privileged few, or that complex power relations and socially-constructed gender roles will not deter women's ability to take advantage of new economic opportunities
- Policy changes are necessary in the negotiation and the implementation process, to ensure gender-equitable outcomes.
- The gender effects of trade policies are country- and agreement-specific. Adopting policies and measures responding to the needs and interests of women and men requires a gender analysis of each country and each agreement.



CHECKLIST FOR ACTION

The gender effects of a trade agreement will vary according to the approaches taken by each government to adapt to and mitigate the expected impact.

Our analysis allowed us to make informed predictions on the gender effects of an EPA and to identify complementary measures and policies which ACP and EU policy-makers should adopt and donors should support to ensure a beneficial impact on women's rights, lives and livelihoods and gender equality.

We have identified areas where women's organisations and other civil society organisations should increase their engagement and issues for advocacy.



“STATES SHALL FULFIL THEIR [WOMEN’S] RIGHT TO HAVE ACCESS TO AGRICULTURAL CREDIT AND LOANS, MARKETING FACILITIES, APPROPRIATE TECHNOLOGY AND EQUAL TREATMENT IN LAND AND AGRARIAN REFORM AS WELL AS IN LAND RESETTLEMENT SCHEMES”

CEDAW, ARTICLE 14.2(G)

| | ACP Policy – makers act to ensure | EU Policy – makers and donors act to support | Women's organisations and other Civil Society Organisations act to engage with and advocate for |
|--|-----------------------------------|--|---|
| GENDER ANALYSIS | | | |
| Systematic integration of gender analysis in trade impact assessment, e.g. Diagnostic Trade Integration Studies (DTIS) and in monitoring implementation (see box 1) | ✓ | ✓ | ✓ |
| Identification and protection of gender-sensitive sectors, products and services and gender-proofing of all proposed liberalisation schedules | ✓ | ✓ | |
| Integration of gender analysis in Aid for Trade (see box 2) | | ✓ | ✓ |
| Public expenditure and tax to be informed by gender-responsive budgeting | ✓ | ✓ | ✓ |
| Promotion and sharing of gender-aware economic and trade literacy amongst women's organisations and networks | | | ✓ |
| DATA COLLECTION AND RESEARCH | | | |
| Systematic collection of sex-disaggregated data, particularly on employment and wages, especially in the agricultural sector | ✓ | ✓ | ✓ |
| Regular time-use surveys | ✓ | ✓ | ✓ |
| Qualitative research on gender roles and constrains in various markets | ✓ | ✓ | |
| Women's organisations who promote the regular use of sex-disaggregated statistics | | ✓ | |
| Replication of One World Action/Commonwealth Secretariat research in other countries and regions | | ✓ | |
| Dissemination of findings of One World Action/Commonwealth Secretariat research | | ✓ | ✓ |
| FOSTERING SUSTAINABLE TRADE AND ECONOMIC PARTICIPATION | | | |
| Protection of gender-sensitive sectors and exclusion of sensitive products from negotiations | ✓ | ✓ | |
| Trade liberalisation time schedules to allow time for adaptation | ✓ | ✓ | |
| Resources allocation to trade-related infrastructure assisting small-scale producers | ✓ | ✓ | |
| Adoption of specific measures to enhance the economic participation of the most marginalized women and men | ✓ | ✓ | |
| Adoption and enforcement of core labour standards and anti-discrimination legislation | ✓ | ✓ | ✓ |
| Protection of women's rights to their own savings and financial assets and assistance in claiming fair remuneration for their contribution to the family business | ✓ | | |
| DIALOGUE WITHIN GOVERNMENT | | | |
| Open dialogue and collaboration between government departments (Trade, Planning, Women's Ministry, Statistical Bureau, etc.) (see box 3) | ✓ | | |
| Open dialogue and collaboration between aid and trade ministries (see box 3) | | ✓ | |
| Popularisation of trade agreements – in accessible language and format | ✓ | | ✓ |
| DIALOGUE WITH CIVIL SOCIETY | | | |
| Open dialogue with civil society stakeholders (women's organisations, workers' organisations, the media, etc.) during trade negotiations and in monitoring processes (see box 1) | ✓ | ✓ | |
| National and regional alliances and networks to engage with and monitor regional trade negotiations and implementations of agreements such as EPAs | | | ✓ |
| Innovative civil society initiatives at the regional level to increase community-level voice | | | ✓ |
| POLICY COHERENCE | | | |
| Strong policy coherence between social and economic development policy and practice. | ✓ | | ✓ |
| Trade negotiations that are in line with EU policy commitments made in Policy Coherence for Development, European Consensus on Development, and Gender Communications and with international commitments (ILO Conventions, Convention on the Elimination of All Forms of Discrimination Against Women, Millennium Development Goals, etc.) | | ✓ | |
| National government and EU to deliver on their commitments to gender equality and women's rights | | | ✓ |

Box 1 – Monitoring the implementation of trade liberalisation from a gender perspective

EPAs could improve or worsen women's situation or simply reinforce the status quo.

- To become tools for development EPAs need to move beyond changes in trade and investment to include measures to minimise the negative and maximise the positive impact of trade on the poorest women and men. Such a 'trade for development' approach should inform also the design and implementation of the monitoring process to identify necessary adjustments in the agreement and design flanking measures to support successful implementation.
- EPAs and related Aid for Trade need to be coherent with each country's national poverty reduction strategy, and likewise, this strategy must integrate the impact of EPAs.
- Effective monitoring will require indicators that are measurable and quantitative (or quasi-quantitative), open-ended and dynamic as all needs and outcomes will not be predictable and priorities and circumstances may change over time.

Box 2 – Aid for Trade

Aid for Trade is conceived as an instrument bridging development and the multilateral trade system. Its stated aim is to increase growth and concurrently reduce poverty. Whilst Aid for Trade can contribute to poverty reduction and development, currently it has limitations, especially in terms of gender-sensitivity and -responsiveness. Gender-aware interventions to support trade-related infrastructure and capacity-building are key to ensuring that the most economically marginalized women and men will take advantage of opportunities generated by trade. Interventions should therefore not be limited to protecting traditionally-female sectors, but expanded to enhance the economic participation of the most marginalized at every level.

Box 3 – Strengthening institutions: Uganda National Steering Committee

The Ugandan Ministry of Tourism, Trade and Industry, with the support of the Commonwealth Secretariat, established a National Steering Committee (bringing together representation from itself, the Ministry of Gender, Labour and Social Development, the Uganda Export Promotion Board, the Management Training and Advisory Centre, Council for Economic Empowerment of Women in Africa and Makerere University). This arrangement permits the country to strengthen national capacity for integrating gender analysis in trade negotiations and policy formulation. The Steering Committee also commissions research and follows-up on action plans and sectoral policies. Recently, it took part in the process of engendering the National Export Strategy. For more information, please view: http://www.ugandaexportsonline.com/2009/documents/strategy/engendering_nes.pdf

Box 4 – Monitoring Committee in CARIFORUM

Following the ratification of CARIFORUM-EPA, the Caribbean Policy Development Center (CPDC) launched a Civil Society Organisations' Monitoring Committee to ensure that civil society has an effective space to air its concerns and views as the implementation of the EPA moves ahead. Representatives from CSOs, women organisations, trade unions, UNIFEM and trade consultants on the committee examined the development goals within the EPA and the key indicators by which success or lack thereof should be measured. Concurrently, CPDC embarked on research on female and male micro-farmers (vegetable growing in St. Lucia and dairy farming in Haiti) to inform the work of the Committee and the EPA Review Process. For more information, please contact: cpdc@caribsurf.com

Reference

Fontana, M. (2009) *Gender Justice in Trade Policy: The gender effects of Economic Partnership Agreements*.
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Endnotes

- 1 This tool is based on the report: *The gender effects of Economic Partnership Agreements (EPAs): a synthesis of the findings from Tanzania, Mozambique and Jamaica*, written by Dr. Marzia Fontana.
 - 2 Dr Marzia Fontana developed the analytical framework, coordinated the research and wrote the synthesis report. Country research was carried out by Dr. Maimuna Ibraimo (Mozambique), Dr. Leith Dunn with Anneke Hamilton, Dr. Jessica Byron and Quaine Palmer (Jamaica) and Dr. Holger Seebens (Tanzania).
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