



Briefing Paper

Investigating the centrality of gender equality to fostering progress in international trade through the framework of the 2030 Agenda

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Summary

This briefing paper draws on the Sustainable Development Goals to illustrate the centrality of gender equality in international trade. To do so, this paper analyses how gender neutral trade negotiations and persistent socioeconomic discrimination faced by women hinders their ability to reach their full economic potential. This paper throws light on how the gender-responsive approach to development outlined by the 2030 Agenda fosters successful outcomes for international trade and international development initiatives.

Introduction

To commemorate 25 years since the adoption of the Beijing Declaration and Platform for Action, the most robust agenda for the empowerment of women and girls, the United Nations (UN) launched 'The Generation Equality' campaign on International Women's Day, on 8 March 2020, to further support women's decision-making in all areas of life.¹ At the forefront of promoting peace and prosperity globally, is the UN's 2030 Agenda for Sustainable Development. In 2015, the UN adopted 17 Sustainable Development Goals (SDGs) to foster inclusive development.²

As the SDGs commit to leave 'no one behind', gender equality cuts across all 17 goals of the Agenda and is a pre-requisite for the realisation of the SDGs. Advancing women's economic potential, advances inclusive growth and development. To highlight this issue, this paper throws light on the centrality of gender equality to women's economic empowerment in international trade, under the umbrella of the SDGs, particularly Goal 5, which aims to 'achieve gender equality and empower all women and girls' and Goal 8, which promotes 'sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all'.³

Why strive for gender equality?

Gender equality is both a core principle and a cross-cutting issue, which should be used to inform policy, in all areas of work and at all levels, to foster inclusive and sustainable development. With regard to economic growth, gender equality

is fundamental to whether and how economies and societies thrive.⁴ Over the years, feminist theory has highlighted how labour market participation is indispensable for women's autonomy and emancipation.⁵ While it is true that more and more women are in the labour force now, women's economic participation and opportunities gap would still require 219 years to close.⁶ Women only generate 37% of the global gross domestic product and own only about a third of the small and medium enterprises (SMEs).⁷ The World Bank states that women-run enterprises contribute to both household incomes and national economies and advancing gender equality in labour markets could add \$12 trillion to global gross development product (GDP) by 2025.⁸ Supporting this, the International Labour Organization states that reducing gender gaps in the labour market by 25% by 2025 could increase the global labour force by 204 million and consequently increase the global GDP by 3.9%.⁹ The organisation further maintains that the disproportionate burden of unpaid work on women facilitates the gender gap in labour markets, which prevails as the most pressing challenge in labour markets.¹⁰ Therefore, the ILO identifies tackling the root causes of occupational and sectorial segregation and reducing and recognising the burden of unpaid work on women, as prerequisites for improving the economy.

Harnessing women's economic potential to strengthen the economy would facilitate progress for SDG 8 target 8.1 that seeks to increase per capita income and 'gross domestic product growth per annum in the least developed

¹ <https://www.unwomen.org>

² <https://sustainabledevelopment.un.org>

³ Ibid

⁴ "The Global Gender Gap Report 2017". *weforum.org*. 2017. <https://www.weforum.org/reports/the-global-gender-gap-report-2017>

Accessed 30 April 2020

⁵ Nadai, E. (2018). 'Whose welfare – whose autonomy?: Welfare, work and care in social investment practice. In Liebig B., Gottschall K., & Sauer B. (Eds.), *Gender Equality in Context: Policies and Practices in Switzerland*. pp. 43-62.

⁶ Frohman, A. 'An opportunity for a gender equality focus in trade policy?' *ictsd.org*. 2018. <http://www.ictsd.org/opinion/an-opportunity-for-a-gender-equality-focus-in-trade-policy>

Accessed 30 April 2020

⁷ <https://www.wto.org>

⁸ Woetzel, J. et al. 2015. 'How advancing women's equality can add \$12 trillion to global growth'. *www.mckinsey.com*. 2015. <https://www.mckinsey.com/featured-insights/employment-and-growth/how-advancing-womens-equality-can-add-12-trillion-to-global-growth>.

Accessed 30 April 2020

⁹ <https://www.ilo.org>

¹⁰ Wahlén, C. 'Achieve Gender Equality to Deliver the SDGs'. *sdg.iisd.org*. 2017. <http://sdg.iisd.org/commentary/policy-briefs/achieve-gender-equality-to-deliver-the-sdgs/>

Accessed 30 April 2020

countries'.¹¹ Moreover, the fact that women make up more than half of the world's population but are grossly underrepresented in the economic sphere poses a challenge for SDG 5 target 5.5 that aims to 'ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.'¹²

Why centralise gender in trade?

Historically, trade negotiations have a tendency to be gender neutral and assume that men and women access markets in the same way, in equal share, and have the same opportunities and resources.¹³ However, many women stand on the sidelines of the world economy and only 11% of women-owned businesses are engaged in international trade.¹⁴ This gender-blindness is further solidified by the lack of gender-disaggregated data and the limited participation of women in trade policy negotiations.¹⁵ The World Trade Organization (WTO) has acknowledged that 'international trade and trade agreements affect men and women differently.'¹⁶ The premise that markets are gender neutral has had a damaging impact on women's economic potential as not only has it made it harder for women to access the market, it has also made their heightened barriers to trade go unnoticed. Gender neutrality in trade policies poses an obstacle to the realisation of the SGDs and is an affront to women's sustained fight for equality.

International trade has the potential to be explored as an effective measure to achieve inclusive development once gender

considerations are accounted for in trade policy formation and implementation.¹⁷ Therefore, supporting women in international trade is not only the right thing to do but also the smart thing to do. Along with yielding economic gains, integrating gender equality into international trade agreements would result in inclusive social development by supporting the SDGs. For instance, supporting women in international trade would help support Goal 8, target 8.5 that aims to 'by 2030, achieve full and productive employment and decent work for all women and men', and target 8.8 of promoting safe working environments for all workers 'particular migrant women'.¹⁸ Supporting women in international trade will also enable the realisation of multiple targets of SDG 5, including target 5.1 that mandates to 'end all forms of discrimination against women and girls', and target 5.5 that aims to 'ensure women's full and effective participation...in economic life'.¹⁹

In 2017, the Joint Declaration on Trade and Women's Economic Empowerment (JDTWEE) was announced during the WTO's eleventh Ministerial Conference in Buenos Aires, to 'promote greater inclusion of women in international trade'.²⁰ The Buenos Aires Declaration is the coordinated effort of the International Gender Champions' Trade Impact Group. The International Gender Champions is leadership network that mandates to breakdown gender barriers by bring male and female decision-makers together. ²¹

Spearheaded by the governments of Iceland and Sierra Leone, the Buenos Aires Women and Trade Declaration garnered support from 121 WTO member and observer states as they pledged to

¹¹ <https://sustainabledevelopment.un.org>

¹² Ibid

¹³ Bandyopadhyay, A. 'Mainstreaming Gender in Trade Policies: What Progress in Eastern and Southern Africa?' <http://www.cuts-geneva.org> 2019. <http://www.cuts-geneva.org/Tag.html?tag=Trade%20Policy> Accessed 30 April 2020

¹⁴ Champagne, F. 2018. 'Advancing Gender Equality through Trade'. www.cigionline.org. 2018. <https://www.cigionline.org/articles/advancing-gender-equality-through-trade> Accessed 30 April 2020

¹⁵ Bandyopadhyay, A. 'Mainstreaming Gender in Trade Policies: What Progress in Eastern and Southern Africa?' <http://www.cuts-geneva.org> 2019. <http://www.cuts-geneva.org/Tag.html?tag=Trade%20Policy> Accessed 30 April 2020

¹⁶ <https://www.wto.org>

¹⁷ <https://unctad.org>

¹⁸ <https://sustainabledevelopment.un.org>

¹⁹ Ibid

²⁰ <https://www.cigionline.org>

²¹ <https://genderchampions.com>

remove heightened-gendered barriers to women's economic empowerment.²² As the Declaration challenges gender-neutral trade policies and discusses gender in the trade area, it is regarded as a milestone in international trade. The Declaration has built a momentum for changes and initiated discussions and knowledge exchange on good practices on women and trade, and gender-sensitive trade policy reviews.²³ The JDTWEE focuses on the 'inclusive role trade can play in promoting gender equality' and women's empowerment and provides a global framework for countries to ensure gender equality in trade.²⁴

Addressing gendered-social barriers to trade

The 2030 Agenda states that unfair social norms and attitudes against women will undermine the ability to realise SDG 5 on gender equality. The 2019 Sustainable Development Goals report records persistent and pervasive barriers faced by women due to discriminatory laws and social norms.²⁵ Research on barriers faced by women-run SMEs shows tremendous overlap with male owned businesses, however, there also prevail very explicit gendered challenges for women in the economy. A report by CUTS International on this issue states how limited access to finance is a pressing problem for female businesswomen and for women striving to own or expand their business. Certain social and cultural norms that do not give women property rights or land ownership weaken their ability to apply for loans and also levy higher rates of loan repayment on them. Most women-led Micro, small and medium enterprises (MSMEs) across Africa and Asia struggle to access private finance, as they are unable to provide collateral for loan facilities.²⁶

For instance, in Nigeria, bank loans are secured by landed property, thereby making it difficult for women who are denied absolute ownership of landed property from accessing credit.²⁷ This is problematic not only for women's economic empowerment but also poses an obstacle for SDG 5's Target 5.A that aims to 'undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources.'²⁸ It also threatens the realisation of SDG 8, target 8.3 that aims to support the growth of SMES 'through access to finance' and target 8.8 'to protect labour rights for all... in particular women migrants.'²⁹

The socioeconomic burden of unpaid work

In addition to the financial constraints faced by women, the disproportionate burden of unpaid care work and domestic responsibilities on women leave them with significantly less time for paid work, education and leisure than men, thereby reinforcing their socioeconomic disadvantage.³⁰ The burden of childcare and domestic responsibilities hinders women from participating in remunerative activities including trade as well as impedes the realisation of SDG 5 that promotes gender equality. According to recent data from around 90 countries surveyed, women on average, devote nearly three times more hours a day to unpaid work than men.³¹ This heightened-burden on women leaves them with little time to invest in their education and skills, which could strengthen their access to and position in the labour force. Furthermore, empirical evidence shows how rigid and

²² <https://www.wto.org>

²³ <https://www.cigionline.org>

²⁴ Bandyopadhyay, A. 'Mainstreaming Gender in Trade Policies: What Progress in Eastern and Southern Africa?' <http://www.cuts-geneva.org> 2019. <http://www.cuts-geneva.org/Tag.html?tag=Trade%20Policy> Accessed 30 April 2020

²⁵ <https://unstats.un.org>

²⁶ Debornes, L. 'Challenges faced by Women Exporters:

Experience of MSMEs from Africa and Asia'. www.cuts-geneva.org 2019. <http://www.cuts-geneva.org/Tag?tag=Women> Accessed 30 April 2020

²⁷ Ibid

²⁸ <https://sustainabledevelopment.un.org>

²⁹ Ibid

³⁰ <https://unstats.un.org>

³¹ <https://sustainabledevelopment.un.org>

traditional notions of women's role in society and the expectation of them being domestic and domesticated continues to hold them back from reaching their economic potential. To break these practices, SDG 5 Target 5.4 calls to 'recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate' as a crucial factor to the promotion of gender equality.³² Therefore, recognising the socioeconomic burden of unpaid work on women and promoting shared responsibility within the household would facilitate the realisation of the 2030 Agenda and simultaneously strengthen women's economic potential.

It is crucial to acknowledge that not only does the bulk of unpaid work leave women with less time for leisure and skill development, it puts businesswomen in developing countries at yet another disadvantage as it weakens their ability to invest in or foster business networks. As business networks provide opportunities for 'formal training, information, advice, access to markets, partnerships and policy advocacy', they are crucial to the success of businesses.³³ Research highlights how women in developing countries rarely have the time or opportunities to consolidate or engage in business networks, thereby putting them at yet another disadvantage compared to their male counterparts. This further challenges the realisation of SDG 5 Target 5.5 that mandates to 'ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.'³⁴

Tackling gender discrimination is

the smart thing to do

In patriarchal societies, businesswomen need to work twice as hard as men to challenge systemic and deep-rooted misogyny that question both their expertise and ability as formidable competitors simply by virtue of them being women. For instance, despite the plethora of evidence on how access to information and communication technologies boosts economic and social development, the gendered digital gap is pervasive, particularly in low and middle-income countries where 1.7 billion women do not own mobile phones.³⁵ Moreover, women are 50% less likely to be connected to the internet than men and once online, are on average, 30% to 50% less likely than men to use the internet to strengthen their participation in public life.³⁶ Thus, even though, e-commerce provides greater business prospects, the majority of women-owned MSME's are limited in their ability to benefit from them due to their limited access to educational and technological opportunities.

Women's limited online presence is a result of pervasive gender-based discriminatory beliefs about women's domestic responsibilities being their primary responsibility and negative feminine stereotypes that women 'possess lesser capabilities in technological and educational aspects'.³⁷ These deep-rooted sexist notions of women's economic potential are a concern for both the international development sphere and multiple targets of SDG 5. Not only would challenging discrimination against women and girls help fulfil target 5.1, closing the digital gap would enable meeting target 5.B that aims to 'enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women'.³⁸ Moreover, it would also yield progress

³² Ibid

³³ Debornes, L. 'Challenges faced by Women Exporters: Experience of MSMEs from Africa and Asia'. www.cuts-geneva.org 2019. <http://www.cuts-geneva.org/Tag?tag=Women> Accessed 30 April 2020

³⁴ <https://sustainabledevelopment.un.org>

³⁵ Bandyopadhyay, A. and Grollier, J. 'What is being done to

Support women-owned MSMEs? <http://www.cuts-geneva.org>. 2019. <http://www.cuts-geneva.org/Tag?tag=Women> Accessed 30 April 2020

³⁶ *ibid.*

³⁷ *ibid.*

³⁸ <https://sustainabledevelopment.un.org>

for SDG 8 target 8.2 to ‘achieve higher levels of economic productivity through diversification, technological upgrading and innovation.’³⁹

Conclusion

The International Gender Champions’ Trade Impact Group firmly believes that ‘trade and gender equality are two corner stones for sustainable development and job creation’.⁴⁰ This briefing paper engages with the discourse around the centrality of gender equality in international trade and analyses persistent gendered social barriers and discrimination against women, in addition to the disproportionate burden of unpaid work on them, to highlight how women do not enter and participate in the economy as equal counterparts to men. By using the 2030 Agenda’s Goal 5 on ‘Gender Equality’ and Goal 8 on ‘Decent Work and Economic Growth’ as a conceptual framework, this brief throws light on how gender equality is an accelerator for both the SDGs and inclusive economic development that harnesses women’s economic potential and strengthens international trade.

This study also highlights how the UN’s 2030 Agenda, particularly SDG 5 and 8 and the Buenos Aires Declaration on Women and Trade align. As the non-binding Declaration provides a framework for ‘WTO members to adopt gender-responsive trade policies’, it promotes women’s participation in the economic and furthers progress on various targets of SDG 5.⁴¹ To lessen the burden of unpaid domestic work on women and support their participation in the economy on equal terms as men, countries like Canada, Sweden and Finland mainstreamed gender in all policy

decisions and provide shared parental leave for both spouses.⁴² The Declaration has paved the way for similar discussions and efforts to speed up progress on women’s economic empowerment. For instance, the International Trade Centre’s SheTrades Initiative examines free trade agreements to identify how economic opportunities for women can be improved.⁴³ The Declaration also threw light on how the WTO’s Aid For Trade initiative is assisting members in designing and implementing more gender-responsive trade policies.⁴⁴ The Aid for Trade initiative has had a positive impact on women’s economic empowerment, and shows how systematic and robust approaches to gender mainstreaming in trade yield positive socioeconomic outcomes. As according to the WTO, the Aid for Trade initiative can help achieve SDG 5 on gender equality.⁴⁵

The gender-responsive approach to development that the 2030 Agenda outlines provides various avenues for successful outcomes for international trade as well. Progress on gender equality is a common objective for both the UN’s 2030 Agenda and international trade. The inclusion of gender issues in trade negotiations has the potential to significantly contribute to global GDP and boost economic growth; it will simultaneously support the realisation of the UN’s 2030 Agenda. Therefore, the effective implementation of gender responsiveness as per the SDGs will accelerate progress on all developmental and economic fronts and benefit both the international development initiatives and foster economic growth and boost trade.

³⁹ Ibid

⁴⁰ <https://genderchampions.com>

⁴¹ <https://unctad.org>

⁴² Ibid

⁴³ <https://www.developmentaid.org>

⁴⁴ *Boghossian, A. (2019) ‘Women’s economic empowerment: An inherent part of Aid for Trade’ WTO Staff Working Paper, No. ERSD-2019-08, 1-9*

⁴⁵ <https://www.wto.org>



CUTS International, Geneva

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