

TWN Info Service on WTO and Trade Issues
10 December 2017
Third World Network
www.twn.my

Is “gender” a Trojan horse to introduce new issues at WTO?

Buenos Aires, 10 December (Roberto Bissio) – A “Joint Declaration on Trade and Women's Economic Empowerment” co-sponsored by Iceland and Sierra Leone is estimated to have already received the backing of more than one-third of the World Trade Organization (WTO) members and might get official approval during the WTO's 11th Ministerial Conference (MC11) that starts today in the Argentine capital.

Feminist economists have long argued that trade liberalization affects women and men differently, but law professor Jane Kelsey from the University of Auckland (New Zealand), who is in Buenos Aires to speak at the MC11 Think Track co-hosted by the Argentine Government, told the author that “the declaration does not acknowledge or address the negative impacts on women of the WTO, as with access to medicines, job losses from removal of tariffs, the feminisation and vulnerability of the cross-border services workers in call centers and other harmful effects of current trade rules.”

Instead, the declaration prefers to assert without much proof that “inclusive trade policies can contribute to advancing gender equality and women's economic empowerment, which has a positive impact on economic growth and helps to reduce poverty.”

“The notion that trade is gender neutral, and free trade good for women, simply doesn't stand up to the evidence” commented Sophie Hardefeldt, senior advisor at Trade Justice Movement and former manager of the Australian Women Against Violence Alliance. “The problem is that non-binding measures like WTO declarations and the inclusion of gender chapters in trade agreements might make for nice news stories, but they won't address the myriad ways our free trade system exploits women, particularly women of colour,” wrote Hardefeldt.

Nevertheless, trade experts consulted by the author in Buenos Aires fear that under apparently innocuous non-binding language the gender declaration might end up being a “Trojan horse,” instrumental to smuggling in “new issues” into the delicate WTO negotiations.

Paragraph 5 of the proposed document, that the author could access, commits the WTO to hold “a series of seminars [...] to explore and discuss” themes like “the identification of barriers that limit women's participation in trade”; “financial inclusion as well as the access to trade financing and financial assistance for women traders”; the “enhancement of women entrepreneurs' participation in public procurement markets”; and “the inclusion of women-led businesses, in particular MSMEs, in value chains.”

(MSMEs are micro, small and medium sized enterprises.)

This was called “window dressing” by Diyana Yahaya, from the Asia Pacific Forum on Women, Law & Development (APWLD), because the Declaration “will not remedy any of the trade rules that have prevented countries from regulating in the interests of its peoples, particularly of women whether it would be through affirmative actions or other supportive wage, fiscal and industrial policies”.

Serious concerns were also voiced by the Development Alternatives with Women for a New Era (DAWN), a network of Southern women’s rights researchers and activists. Flora Partenio of Argentina, a DAWN Executive Committee member, said, “Since its inception in 1995, the WTO has only deepened its agenda of neoliberalism, focusing on treaties that harm local production, regulatory frameworks and peasant agriculture.” She reiterated the stance of many feminist groups that “we will not be mainstreamed into a polluted stream”.

Further, legal experts following the ministerial conference in Buenos Aires worried about the similitude between the proposed “series of seminars” and the “study groups” of the past, that led to proposals for negotiations. This was the case of the so-called “Singapore issues”: investment, competition policy, government procurement and trade facilitation. In preparation for the WTO 1996 ministerial conference in Singapore, the European Union could not get developing countries to commit to negotiate (a code for establishing new agreements) on these issues, but managed to force the creation of a “study group” to put those issues on the table and eventually start the process to a new agreement. The “Singapore issues” were a major headache for negotiators until the first three were “dropped” in 2004 (see a detailed history, by Martin Khor, in <http://www.twn.my/title2/t&d/tnd33.pdf>).

Now, the identification of “barriers that limit women's participation in trade” can open the door to any new issue, because lack of e-commerce rules, for example, could be claimed to be a barrier to women’s participation. (Proposed e-commerce rules are a contentious issue at MC11).

The “enhancement of women entrepreneurs' participation in public procurement markets” could mean opening government procurement to foreign women and “the inclusion of women-led businesses in value chains’ can be a Trojan horse for all the global value chain issues that Pascal Lamy was promoting when he was Director-General of the WTO.

A 2017 study of the Indian Institute of Foreign Trade (see <http://wtocentre.iift.ac.in/workingpaper/woriking%20paper%2036.pdf>) clearly summarizes the lack of benefits for developing countries in global value chains (GVCs) but it also demonstrates how the OECD and the World Bank use GVCs as an excuse to push for stronger intellectual property protection in developing countries.

Further, the promotion of “financial inclusion as well as the access to trade financing and financial assistance for women traders” could be a backdoor for the proposed e-commerce and e-payment rules that most developing countries are resisting.

Financial inclusion is a major problem for women, but for this issue the WTO is not the appropriate place. Women’s problems in accessing finance are a consequence of liberalised and deregulated financial markets, and the charges of powerful e-finance

payment platforms. Thus, legal experts identify a contradiction here – this proposal cannot address the problem unless it starts reversing the direction of the existing WTO Financial Services Agreement and Understanding on Financial Services.

Working together in the WTO to “remove barriers for women's economic empowerment and increase their participation in trade,” as proposed in Paragraph 4, can also mean new rules on various issues because lack of investment/e-commerce etc rules could be characterised as ‘barriers for women’s economic empowerment’.

The declaration ends by promising that, “in 2019 we will report on progress towards implementation of this joint declaration on trade and women's economic empowerment”. The “we” in that phrase is not clearly defined. It could mean that each of the signatories would report on their own efforts. But since the previous use of the pronoun talks about a collaborative endeavour (“We have agreed to collaborate on making our trade and development policies more gender- responsive”), it could easily be understood as giving the WTO secretariat an additional mandate. In WTO practice, this should be the result of a carefully negotiated agreement and not a consequence of a statement promoted as good-willing and non-binding.

According to a news story published by UNCTAD, the official presentation of the declaration is expected on 12 December 2017, during the one-day business forum organized by the Argentine Government.

Text of the Declaration:

‘Joint Declaration on Trade and Women's Economic Empowerment on the Occasion of the WTO Ministerial Conference in Buenos Aires in December 2017

Acknowledging the importance of incorporating a gender perspective into the promotion of inclusive economic growth, and the key role that gender-responsive policies can play in achieving sustainable socioeconomic development;

Acknowledging that inclusive trade policies can contribute to advancing gender equality and women's economic empowerment, which has a positive impact on economic growth and helps to reduce poverty;

Acknowledging that international trade and investment are engines of economic growth for both developing and developed countries, and that improving women's access to opportunities and removing barriers to their participation in national and international economies contributes to sustainable economic development;

Acknowledging the need to develop evidence-based interventions that address the range of barriers that limit opportunities for women in the economy;

Recalling Goal 5 of the Sustainable Development Goals in the United Nations 2030 Agenda for Sustainable Development, which is to achieve gender equality and empower all women and girls; and

Reaffirming our commitment to effectively implement the obligations under the

Convention on the Elimination of all Forms of Discrimination Against Women, adopted by the United Nations General Assembly on 18 December 1979;

We have agreed to collaborate on making our trade and development policies more gender-responsive, including by:

1. Sharing our respective experiences relating to policies and programs to encourage women's participation in national and international economies through World Trade Organization (WTO) information exchanges, as appropriate, and voluntary reporting during the WTO trade policy review process;
2. Sharing best practices for conducting gender-based analysis of trade policies and for the monitoring of their effects;
3. Sharing methods and procedures for the collection of gender-disaggregated data, the use of indicators, monitoring and evaluation methodologies, and the analysis of gender-focused statistics related to trade;
4. Working together in the WTO to remove barriers for women's economic empowerment and increase their participation in trade; and
5. Ensuring that Aid for Trade supports tools and know-how for analyzing, designing and implementing more gender-responsive trade policies.

Over the next months, we will hold a series of seminars in coordination with relevant international organizations to explore and discuss, among others, the following themes related to trade and the economic empowerment of women:

- The promotion of female entrepreneurship and trade;
- The identification of barriers that limit women's participation in trade;
- The promotion of financial inclusion as well as the access to trade financing and financial assistance for women traders;
- The enhancement of women entrepreneurs' participation in public procurement markets;
- The inclusion of women-led businesses, in particular MSMEs, in value chains;
- The impact of trade facilitation in providing equal access and opportunities for women entrepreneurs;
- The inventory of information sources, their complementarity and the identification of data gaps.

In 2019 we will report on progress towards implementation of this joint declaration on trade and women's economic empowerment.'