PRIVATE SECTOR RECOMMENDATIONS ON KEY ACTIONS TO DELIVER AN AMBITIOUS MINISTERIAL OUTCOME ON TRADE AND GENDER FOR MC12 AND BEYOND TO BE CONSIDERED BY THE INFORMAL WORKING GROUP ON TRADE AND GENDER

BACKGROUND

The global rules-based trading system, underpinned by the World Trade Organization (WTO), has played a critical role in lifting incomes, increasing productivity and innovation, and reducing poverty. Trade has often played an important role in bringing women into the formal workforce, equipping women with new training and skills, and empowering them through greater economic freedom. The result is that today women have higher levels of workforce participation, education, and leadership roles in business and government. However, we are far from achieving full gender equality in trade.

Domestic policies frequently limit women's ability to participate in economic activities, including trade. Globally, women have just 75% of the legal rights afforded to men, and 40% of countries have laws that restrict women's participation in the labor force. Even in countries with full gender parity under the law, women can struggle to participate fully in the economy due to lack of access to informal professional networks or lingering bias in certain occupations. These obstacles hinder women's participation in international trade.

The COVID-19 crisis has affected men and women differently, underscoring the need to develop pandemic recovery strategies that will correspond to the needs of women. An inclusive trading system that facilitates women's employment and economic empowerment is critical to overcome the challenges brought by the pandemic.

The WTO has an important role to play in enhancing, improving and highlighting how the trading system can be more inclusive and foster the opportunity of women in the world economy. The WTO Informal Working Group (IWG) on Trade and Gender was created on September 23, 2020 with the aim to advance the implementation of the objectives of the 2017 Buenos Aires Declaration on Trade and Women's Economic Empowerment. We applaud the efforts of the IWG and the WTO Secretariat, in cooperation with other multilateral organizations, for the creation of a Gender Research Hub, that will help provide WTO Members with research and data that can help countries identify policies and practices that can narrow the gender gap in trade.

Once the meaning of the gender lens concept applied to international trade is clarified, we would be able to incorporate it across the WTO work, and not treat it as a separate issue or work in silos. Looking through a gender lens in the trade context could ensure that trade agreements do not inadvertently undermine domestic gender equality commitments.

Within this context, we agree with <u>the Co-Chairs of the IWG on Trade and Gender that expressed</u> that there is a need to continue the momentum of recent years through high-level ambition at the 12th WTO Ministerial Conference (MC12) to deliver on women's economic empowerment at the multilateral level.

RECOMMENDATIONS ON KEY ACTIONS

Improving outcomes for women should play an important part of the global COVID-19 recovery strategy. Supporting women by helping them to adapt to the new normal and providing them with the tools to operate their businesses and engage in international trade will be critical in rebuilding economies and societies.

Multilateral trade policies supported through the WTO can serve as a powerful tool to support domestic efforts to improve women's economic empowerment. Domestic regulation of services, e-commerce, and trade facilitation, along with other areas under the jurisdiction of the WTO, such as tariff schedules, are policy areas subject to WTO agreements that regulate the policies and practices that can help women engage in trade. We encourage WTO members to take a holistic view of these negotiations at MC12 to further women's economic empowerment through trade.

Based on the IWG on Trade and Gender work plan, we have identified recommendations in each the following categories to address this challenge: (a) experience sharing; (b) considering the concept and scope for a "gender lens"; (c) reviewing analytical work undertaken; (d) reviewing gender-related research by WTO Secretariat and others on women's economic empowerment, (e) and contributing to the Aid-for-Trade Work Program.

EXPERIENCE SHARING

- Deepening Private Sector Engagement: The IWG on Trade and Gender should find the ways and means of leveraging private sector know-how, productive capacity, and financial resources. Also, public-private cooperation will be a critical element of closing the gender gap, and governments should encourage broader participation by civil society and the private sector in the design and implementation of these measures. Today's challenges are too complex for any organization to tackle alone, and through partnership, the government could benefit from private sector knowledge and expertise in specific fields.
- Recommendation for Trade Policy Reviews (TPR): The <u>Joint Declaration on Trade and Women's Economic Empowerment</u>, signed at the WTO Ministerial Conference in Buenos Aires in December 2017, includes the voluntary inclusion of gender-related information in WTO Trade Policy Reviews. WTO Members should make the sharing of gender-related information a standard component of the TPRs, thereby holding Members accountable to making tangible reforms.

APPLYING A GENDER LENS TO TRADE

- Recommendation for Tariffs & Tariff Schedules: In the medium term, WTO Members should consider the specific impact to women as both consumers and traders as they commit to changes in their tariff schedules and as part of trade negotiations. Transparent, nondiscriminatory, and easy-to access information on tariffs should be publicly available and countries should commit reviewing tariff schedules with a gender lens to identify tariffs that may inadvertently discriminate against women. In the short term, WTO members should consider eliminating tariffs on products that are gender-specific, such as feminine hygiene products, as well as ensuring equal tariffs are applied to so-called gendered goods, most commonly found in textile and apparel categories, where otherwise identical items such as coats, jackets, bathrobes and pajamas are given gender distinction with possible disparate tax rates.
- Recommendation for Trade in Services- Anti-Discrimination: Members can support the ability of women to participate in international trade by making a horizontal commitment in their General Agreement

- on Trade in Services (GATS) schedules, stating that none of the provisions will discriminate against individuals based on being male or female.
- Recommendation for Services Domestic Regulations: The lack of transparency and unfair processes for obtaining licenses to provide services has a negative impact on economic opportunity for women, considering that 55% of women are employed in the service sector worldwide. We encourage WTO Members to join the WTO Joint Statement Initiative on Services Domestic Regulation (DR JSI), and support conclusion of the Initiative by MC12 to bar discrimination between men and women in issuing these licenses, recognizing the negative impact such practices have on economic opportunity.
- Recommendation for Mode 4 Services: A woman entrepreneur's ability to freely move across borders as she seeks to expand her business internationally is paramount, but this movement is restricted by legal restraints in many countries. Members should seek to remove obstacles, including access to finance, to women's ability to move freely to enable their businesses to grow across borders.
- Recommendation for Trade Facilitation: WTO Members should commit to fully implement the WTO's Trade Facilitation Agreement (TFA) to reduce the time, cost, and complexity of trade for traders. WTO Members should commit to inclusion of women as part of National Trade Facilitation Committees and in the consultation process undertaken as part of the TFA agreement. Full implementation of TFA commitments at borders would help support cross-border women traders, who remain particularly vulnerable to harassment and violence. Governments should also commit to promoting these TFA implementation measures, including outreach to key disadvantaged communities, such as women or minority groups, to build capacity to work within the new systems and create additional exports.
- Recommendation for E-Commerce/Digital Trade: The digital divide between men and women is still wide in many markets, which hinders women traders from availing themselves of e-commerce tools, particularly as those tools are vital to reaching consumers across borders. WTO Members should incorporate into the Joint Statement Initiative on E-Commerce support for universal access to digital technologies that would enable all traders to access the benefits of internet-enabled business. Leveraging private sector/stakeholder engagement, the WTO can encourage Members to align access with capacity building efforts including STEM education to educate and engage women to use these digital tools.
- Recommendation for Market Access in Goods and Services: WTO Members should incorporate specific provisions for SMEs and women- and minority-owned businesses in bilateral, plurilateral and multilateral trade agreements to ensure their role in the economy is protected and that they can benefit from trade. The new global agreement on trade and gender between Canada, Chile and New Zealand is one such agreement that promotes gender and trade policies that are mutually reinforcing and will open new opportunities to increase women's participation in trade. WTO Members should commit to measuring and documenting implementation, including economic gains, from these provisions that will encourage other governments to adopt similar.
- Recommendation for Dispute Settlement: Experts point out that, between 1995 and 2016, out of the 276 individuals selected to serve on panels, only 14% were women, and out of the 268 panels, only 6% were chaired by women. With greater representation by women on the dispute resolutions panels, particularly in leadership positions, greater consideration will be paid to issues that to some extent hinder women's ability to engage in trade, whether it be overt discrimination or unintended impact.
- Recommendation for Labor: Domestic labor market discrimination can range from limitations on women's participation in certain sectors through discriminatory licensing and gender restrictive hiring standards, to illegal practices that may include forced labor. WTO Members must recognize that nondiscriminatory labor conditions can promote trade and investment while giving increased opportunity for both female and male workers alike. Progress in this area is an opportunity to increase transparency and accountability in global supply chains and to promote best practices for implementation.

Recommendation for Trade Promotion: WTO Members must prioritize the inclusion of women
entrepreneurs in trade promotion programs, consultations and communities. Women entrepreneurs
are <u>significantly underrepresented</u> as clients of government trade promotion organizations. By
investing in effective, targeted trade promotion and training programs, Members can support the
growth and success of women-owned businesses.

AID-FOR-TRADE WORK PROGRAM

• Recommendation for Capacity-Building: As the WTO focuses on increasing the capacity of national trade institutions, trade policy makers/negotiators and trade infrastructure, national trade facilitation committees, aid agencies and private businesses can support increasing the capacity of small businesses to export. If women entrepreneurs are given the tools to navigate international trade, the easier it will be for them to participate in the global marketplace.

The COVID-19 crisis has the potential to reduce gender inequality if the "new normal" can accelerate policy reforms that help ensure that women and men are treated more fairly in trade policy. If left unaddressed, women stand to suffer more severely from the socioeconomic crisis, increasing the gender gap even more, affecting the foundation of our communities, and impacting global welfare. And all of us, men and women, will be poorer for the missed opportunity.

Signing this document

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