Gender and Free Trade Agreements: Best Practices and Policy Guidance

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October 2012

Acknowledgements

The author would like to thank Barb MacLaren and Pablo Heidrich, of The North-South Institute, Janina Léon, of Pontifica Universidad Catolica del Peru and Javier Armando Pineda Duque, of Universidad de los Andes, for their thoughtful and informed feedback on initial drafts of this paper.

1. Introduction

This paper identifies best practices and provides policy guidance on how public policy can promote the participation of women entrepreneurs, women producers and women-led export firms in accessing market opportunities through trade agreements. It has been prepared for regional workshops of the “Gender Equity and Canadian Free Trade Agreements (FTAs)” sub-project of the Canada-Americas Trade Related Technical Assistance Program (CATRTA).

Specifically, the paper:

- Provides a brief overview of the evidence on gender and trade liberalization (section 2);
- Identifies key obstacles that reduce the participation of women entrepreneurs, women producers and women-led export firms in accessing the market opportunities of free trade agreements (section 3);
- Sets out global, regional and bilateral, best practices in promoting the participation of women entrepreneurs, women producers and women-led export firms in accessing the market opportunities of free trade agreements (section 4);
- Provides policy guidance to stakeholders in Peru and Colombia to further this agenda (section 5).

The paper is not intended to be an exhaustive review of the literature on gender and trade liberalization, but rather a pragmatic reference guide, which can be used by a range of stakeholders in Colombia, Peru and Canada.

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2. Gender and trade liberalization

2.1. A brief look at the evidence

Economic growth is central to a country’s development and on the whole, countries that have liberalized and opened their markets to international trade have grown faster than those that have not. Increasingly, a key component of trade liberalization strategy are bilateral and regional free trade agreements. The broad objective of these agreements is to deepen international trade links bilaterally and regionally by enhancing access to international markets.

It is broadly accepted that while the benefits that accrue from trade liberalization are significant, there are also short-term costs, and as with most economic policies, the benefits and costs are distributed differentially between different sectors and groups of an economy and society. Gender, defined as the social, behavioral, and cultural attributes, expectations and norms associated with being a woman or a man (World Bank, 2011: 4), is no exception. It is now widely acknowledged that trade liberalization has gender differentiated effects.2

Trade liberalization has translated into more jobs and better connections to markets for many women. For example, research on the effects of The North American Free Trade Agreement (NAFTA) in Mexico finds that following NAFTA, women’s relative wage increased, and both between-industry and within-industry shifts favoured female workers (Aguayo-Tellez et al., 2010 in Klugman and Gamberoni, 2012). Beyond job creation, evidence shows that trade liberalization has heightened women’s autonomy and resulted in benefits for future generations through investments in human capital (Klugman and Gamberoni, 2012). For example, in a review of the gender implications of trade liberalization in Latin America, Ventura-Dias (2010: 15) finds that export expansion through the cultivation of new agricultural products has provided jobs for women who had not had access to monetized earnings before, and that this formal employment had resulted in gaining status in the household and achieving relative economic independence. Recent research shows that the arrival of garment jobs in Bangladesh increased the probability that a five-year-old girl attends school, which could be because to access these jobs, numeracy and literacy is required, or due to additional income of from parents (Heath and Mobarak, 2011 in Klugman and Gamberoni, 2012).

But trade liberalization can also exacerbate existing gender inequalities and worsen women’s economic and social status. Evidence suggests that trade liberalization can lead to the persistence and widening of wage and occupational gaps, as well as job insecurity. For example, it has been found that the impact of trade liberalization in Chile was that gross job reallocation rates were often over twice as high for women than men (Levinshon, 1999 in Gamberoni and Reis, 2012). A cross-country review of countries in Latin America and Asia found that female intensity in manufacturing is negatively correlated with higher levels of value-added manufacturing or capital intensity in production (Tejani and Milberg, 2010 in Klugman and Gamberoni, 2012).

Women’s access to jobs in export sectors also appear less likely where exports are dominated by natural resource and agricultural products. In the case of agriculture, women’s limited access to productive inputs and weaker property rights in land constrain their capacity to benefit from trade openness in agriculture: for example, in the Central Highlands of Guatemala, women hold only three percent of contracts for snow peas and broccoli, which are two of the most important export crops in the area (World Bank, 2011). Differences in human capital also can limit women’s access to new

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2 See for example Tran-Nguyen and Zampetti (2004) and Bussolo and De Hoyos (2009).
opportunities: while gender gaps in schooling have largely closed, women and men are known to choose different fields of study, which affects their work opportunities. Further, cultural norms may mean that the domestic responsibilities that women have prevent them from being able to exploit the opportunities that international trade brings (Klugman and Gamberoni, 2012).

The gender-differentiated effects of trade liberalization are felt at the macro level, meso and micro levels, and are the result of differences between women and men in their access to assets, human capital, labour markets and labour earnings. At the macro level, gender gaps in market participation may narrow if sectors that expand through trade liberalization are more female intensive than the sectors that contract. The inverse holds true. At the meso level, public provision of important social services that favour women might be undermined if loss of government revenue through reductions in tariffs leads to cuts in such services. Finally, at the micro level, trade liberalization may extend or reduce female control over household spending, depending on whether trade liberalization creates or destroys sources of independent income for women (Fontana, 2009a: 10).

This policy guide brings the literature and evidence on gender and trade liberalization together in a pragmatic way, and recommends entry points for engaging on these issues for a range of stakeholders. But it is critical to note, as Fontana (2009b) highlights, that while there is an increased interest in and research on gender and trade policies, sound empirical evidence remains sparse, with analyses limited by the absence of gender-differentiated data, as well as the difficulty of disentangling the effects of trade liberalization from other simultaneous changes.

2.2. Trends in Latin America

In the context of the global picture outlined above, what are recent trends on women, trade and the economy in Latin America? A recent report, Women’s Economic Opportunities in the Formal Private Sector in Latin America and the Caribbean (GTZ et al., 2010) examines trends, constraints and opportunities for women to engage in and benefit from private sector activity in the Latin America and Caribbean (LAC) region. Jones and Banker (2008) focus more specifically on the impact of trade liberalization on gender in the LAC region. Key trends identified by these analyses are outlined in Box 1.

Box 1: Trends on women, trade and the economy in LAC region

- Female labour force participation has increased significantly in the LAC region over the past two decades and now is around 57%. Despite this progress, women’s participation still lags behind men’s participation and a gender wage gap remains (GTZ et al, 2010).
- Women’s share of total employment in Latin America been facilitated improvements in education, as well as economic adjustment and trade liberalization (Jones and Baker, 2008).
- In the formal sector, women’s participation in the labour force is concentrated in commerce, health and education but women are increasingly finding work in export-oriented industries. A large proportion of women work in the informal sector and remain uncounted (GTZ et al, 2010; Jones and Baker, 2008).
- According to the Global Entrepreneurship Monitor, the LAC region has higher rates of female entrepreneurship and a smaller gap in participation between women and men entrepreneurs than other regions. Higher entrepreneurial activity among LAC women may reflect comparatively better economic opportunities for women, resulting from political advancement. It may also reflect limited option in salaried work or a greater need to supplement household income (GTZ et al, 2010).
- Most female-owned firms in the region are classified as small enterprises (GTZ et al, 2010).
- Traditional household roles and cultural norms in LAC region help explain higher unemployment rates for women (GTZ et al, 2010).
3. Women and trade liberalization: key obstacles and constraints

To understand how to best facilitate and promote the participation of women entrepreneurs, women producers and women-led export firms in accessing market opportunities, it is useful to identify the particular gender-differentiated constraints that women face.

**Access to information and business networks:** Access to information and business networks is critical for business success. Yet many female entrepreneurs and producers lack access to critical information about trade and export requirements and opportunities. In addition, men typically dominate business networks and organisations, such as chambers of commerce and unions (Smith et al., 2004: 32). Women are also typically underrepresented in the government institutions established to support exporters.

**Access and control over key assets:** Relative to men, women globally tend have lower levels of access to natural, physical, financial and human capital necessary to fulfill their export and trade potential (GATE, 2009). In many countries, women have lower levels of access to the economic and financial assets and services, such as finance, land and capital, necessary to fulfill their export and trade potential. Access to finance, often facilitated by ownership of land and capital, is particularly crucial to fulfill requirements and standards of global firms and to initiate upgrading processes, and to be positioned to take advantage of new opportunities in exporting sectors (Papyrakis et al., 2009:19). Due to the unequal access to these economic and financial resources, the commercialisation and mechanisation of export sectors in developing economies has often resulted in a ‘masculinisation’ of the sector. For example, when traditionally female-intensive crops become commercialized, men may enter and take over the sector (assisted by their relatively easier access to credit), as happened with groundnuts in Zambia and rice in the Gambia (Wold 1997 and Fontana 2003 in Papyrakis et al., 2009: 9).

Unless women gain broader access to credit, land, and information, they will be segregated to low-return sectors and their capacity to penetrate male-dominated exporting sectors will be constrained (Papyrakis et al., 2009:19). But there is clearly a bias not only in the control over resources and ability to access critical economic and financial services, but also in terms of how these products are marketed to women. For example, Gine et al. (2011 in Klapper and Love, 2011:5) find gender bias in the marketing of microfinance products targeting entrepreneurs.

**Education and skills:** Typically and historically, women have had less access to education and skills development and training than men. Increasingly however, lower levels of access are less overt in primary, secondary and even tertiary education: in many countries, education enrollment and completion rates between women and men are equalising. But women still lag behind in skill development programs and on-the-job training, particularly in technical and management related fields. For example, the International Trade Center (ITC) (2007: 30) finds that only 4% of participants in ITC training on the export of services were women, despite the fact that 75% of enterprises in the services sector are owned by women. In many cases, women may not be overtly discriminated against. Rather, lower levels of attendance or inclusion may be the product of women’s family responsibilities and/or access to business networks.

**Trade facilitation, logistics and transport constraints:** Evidence suggests that female exporters face particular constraints when it comes to trade facilitation, logistics and transport. Women face gender-intensified constraints at border crossings: for example, experience higher levels of corruption and in some cases, violence (Higgins, 2012). Female entrepreneurs are often less equipped to negotiate complex customs procedures than their male counterparts. For example,
research conducted in Chile found that female traders found regulatory burdens one of the most important barriers to starting a business, particularly when sanitary regulations were involved (GTZ et al. 2010: 35). Smallholders or small-scale producers in general, and women in particular, are likely to be in a weaker position when it comes to negotiating terms and prices with powerful buyers because of limited experience and low levels of literacy. For many small producers, achieving economies of scale is a major challenge, and as a result, prices in the market and the extra value derived from products for trade is likely to go to intermediaries or ‘middlemen’ (Kunaka, 2011; UNCTAD, 2009). Further, evidence suggests that women are disproportionately disadvantaged when it comes to transport infrastructure. Babinard and Scott (2009) find that women spend a higher share of their income on transportation costs than men, eroding their profits and reducing their ability to invest in their business and other productive activities. Limited mobility contributes to restricted knowledge of market prices and bargaining power, again often leading women to sell their produce to middlemen who take a large share of the profit.

Cultural biases and gender norms: Cultural biases and gender stereotypes have implications for women’s engagement with export markets. Gendered differences in human capital and norms regarding responsibilities for productive and reproductive activities partly explain occupational segregation and wage gaps. But gender stereotypes go beyond this: for example, gender stereotypes often mean that women are assumed to be better suited to certain types of work (e.g. attitudes about women’s better suitability for picking and packing products, in the horticultural sector, or for sewing in the garment sector, or for repetitive and manual work). This leaves women in lower-paying positions and provides them with limited mobility (IANGWGE, 2011: 6). Further, even when women participate in the economy, other female members of the household may become disadvantaged, for example as young women and girls replace their mother and their household responsibilities while they are at work, with implications for their own education and future opportunities (Papyrakis et al, 2009: 13).

Insecure working conditions and arrangements: In almost all countries, women are over-represented in part-time work, temporary labour, in almost all countries, particularly in manufacturing and agricultural sectors (ILO, 2010: 46). Although the part-time nature of this work may be considered better for women due to their reproductive responsibilities, it often subjects women to job insecurity and lack of benefits, and women generally remain as low wage earners in a pool of unskilled workers (UNCTAD, 2009: 8). For example, women account for up to 90% of workers within the horticultural sector in many LAC countries (e.g. artichoke industry in Chile, flower industry in Colombia and vegetable industry in Costa Rica, Guatemala and Mexico) (CEPAL, 2003 in Jones and Baker, 2008). While these sectors offer more employment opportunities to women than men, women are concentrated in the low-skilled jobs, with minimal job security and lower wages.

4. Supporting gender equality in trade: best practices and practical guidance


First, gender inequality matters intrinsically, because the ability to live the life of one’s own choosing and be spared from absolute deprivation is a basic human right and should be equal for everyone, independent of whether one is male or female. Second, gender equality matters instrumentally, because greater equality contributes to economic efficiency and the achievement of other key development outcomes.
Gamberoni and Reis (2011) extend these arguments specifically to trade, arguing that there are at least three reasons why gender inequality matters, and needs to be addressed, in the context of trade:

- Discrimination against female entrepreneurs and producers may impede their access to information, finance and markets which in turn can undermine the real and potential productivity of women-led economic activities, thereby slowing overall growth.

- Trade policies and initiatives that do not meet the particular needs of women can aggravate existing inequalities and reverse previously achieved gains. For example, evidence suggests that as industries upgrade, the production of previously female intensive sectors become less female intensive. Complimentary policies therefore need to be in place to ensure that women do not unfairly bear the burden of adjustment processes.

- Women typically devote a larger portion of their incomes than men to the health and education of their families enhancing human capital accumulation. Therefore, addressing gender-intensified constraints to trade can have multiplier effects in terms of overall development impact.

This suggests that the ‘gender gap’ in trade needs to be addressed.

The APEC Small and Medium Enterprises Working Group conducted research and workshops on models for supporting women's micro-enterprise development (APEC, 2008). This provides a useful overview of how support for women exporters and women-owned firms can be facilitated (see Box 2).

**Box 2: APEC recommendations for supporting women's micro-enterprise development**

<table>
<thead>
<tr>
<th>Women's micro-enterprise support programs should:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Result in <strong>actual trade activity</strong> and <strong>trade partnerships</strong>.</td>
</tr>
<tr>
<td>• Foster <strong>collaboration between the private and civil society sectors</strong>, with the <strong>public sector playing a critical facilitation role</strong>.</td>
</tr>
<tr>
<td>• Provide a <strong>continuum of services</strong> that take into account the various stages of growth of micro-enterprises and the gender issues involved.</td>
</tr>
<tr>
<td>• Recognize the need for and impact of <strong>networking</strong>.</td>
</tr>
<tr>
<td>• Facilitate <strong>product pooling</strong> at the local, regional and economy-wide levels, and provide access to product pooling venues.</td>
</tr>
<tr>
<td>• <strong>Increase access to expertise</strong> in product design, business development advice and training, information on new technology and potential markets.</td>
</tr>
<tr>
<td>• Provide <strong>professional and legal advice</strong>.</td>
</tr>
<tr>
<td>• Address <strong>intellectual property issues</strong>, including their impact on indigenous women.</td>
</tr>
<tr>
<td>• Make links with <strong>affordable credit programs</strong>.</td>
</tr>
</tbody>
</table>

Source: APEC (2008)

Below, five more specific approaches to promoting the participation of women entrepreneurs, women producers and women-led export firms in trade are outlined.

**4.1. Conducting gendered value chain analysis**

A value chain describes the full sequence of activities requires to bring a product or service from conception, through the intermediary of production, transformation, marketing and delivery to
final consumers (GATE, 2010: 7). While attention has been paid to understanding and enhancing value chains to support trade, economic growth and poverty reduction for some time, the trade and development impact of gender issues on value chain development has not received much attention.

Understanding how gender issues play-out in value chains is critical for identifying how to better support women to access export opportunities.

A recent project titled Greater Access to Trade Expansion (GATE), funded by the United States Agency for International Development (USAID), has been leading work across the global on gender-sensitive value chain analysis (GATE, 2010). Through the GATE project, an approach for integrating gender issues into agricultural value chains has been developed.

The approach is built on three underlying assumptions:

1. *Value chains are embedded in a social context:* Gendered patterns of behavior conditions women’s and men’s jobs and tasks, the distribution of resources and benefits derived from income generated through the value chain, and the competitiveness and efficiency of the value chains in global markets.

2. *Value chain development affects gender roles and relations:* For example, changes in gender roles and relations can stem from new technologies, shifts to high value crops and the formalization of ownership and household financial management practices.

3. *Gender equity and value chain competitiveness are mutually supporting goals:* Gender inequalities affect competitiveness and trade performance (GATE, 2009).

This is outlined in Table 1 below.

**Table 1: A gendered approach to value chain analysis**

<table>
<thead>
<tr>
<th>Phase</th>
<th>Purpose</th>
</tr>
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<tbody>
<tr>
<td>Phase One: Map gender roles and relations along the value chain</td>
<td>Identify gender roles and relations along the value chain</td>
</tr>
<tr>
<td>Phase Two: Move from gender inequalities to gender-based constraints</td>
<td>Identify how gender inequalities lead to gender-based constraints</td>
</tr>
<tr>
<td>Phase Three: Assess consequences of gender-based constraints</td>
<td>Assess the implications of gender-based constraints on value chains</td>
</tr>
<tr>
<td>Phase Four: Take action to remove gender-based constraints</td>
<td>Determine the most appropriate course of action to remove gender-based constraint</td>
</tr>
<tr>
<td>Phase Five: Measure progress</td>
<td>Measure success of actions</td>
</tr>
</tbody>
</table>

*Source: GATE (2010)*

Box 3 below outlines how a pro-poor and gendered approach was taken to the artichoke sector in Peru.

**Box 3: Gendered and pro-poor analysis of the artichoke sector in Peru**

The emergence of an export market for artichokes presented new prospects for promoting agricultural and rural development in Peru, and for the inclusion of farmers and workers in a dynamic and high value-added market. Artichoke production experienced a sharp increase in 2000, and by 2006, the crop was among Peru’s top five agro-exports, generating an export value of $66 million. In 2006, artichoke production generated approximately 20 500 full time jobs.
The artichoke value chain includes producers, service providers, input suppliers, processors and exporters. The value chain analysis reveals a number of significant issues:

- The value chain is dominated by 15 agro-export processing companies, who capture 61\% of the total value-added generated in the chain. In contrast, 10\% of profit stays with the small and medium producers.
- While forward linkages in the chain from farmers to producers are strong, backward linkages to the national economy remain weak. Small and medium farmers, who have the greatest backward linkages in the value chain are also those that capture a smaller percentage of the total value-added.
- Women hold 51\% of the full-time jobs generated through artichoke production and processing, but men and women are clustered in different occupations, with the intensity of female labour increasing at the processing level, particularly in activities like peeling, cutting and de-leafing.
- Gender wage gaps exist: women on small and medium farms receive 88\% of men’s wages, but importantly earn equal pay in large farms. In processing plans, women without defined job tenure receive 86\% of men’s wages and those with contracts 93\%.

Recommendations made through this analysis include:

- Reduce the bureaucratic constraints, such as acquiring appropriate licensing, certification, and other regulatory requirements, which is a barrier to entry for many small producers and processors.
- Provide farmer education and training to enable farmers to grow export products. Ensure that the trainings are held at time and conducted in ways that enable women to actively participate.
- Support the formation of networks and collaborative organisations. E.g. cooperatives that can negotiate better prices, surmount credit barriers and negotiate with governments.
- Develop appropriate credit markets for micro- and small entrepreneurs and producers. Ensure programs are developed to provide credit to women, particularly in areas where access to land and credit remains a barrier to entry.

Source: GATE (2009b)

This approach has been used in other countries, and supported by other institutions (for example, see Carr, 2004). For example, Box 4 outlines how the Government of Uganda used a gendered value chain approach to gender strategy to accompany their Uganda’s National Export Strategy (NES).

Box 4: Uganda’s gender export strategy

In October 2007, Uganda launched its National Export Strategy. Following this, in partnership with the International Trade Centre (ITC), Uganda developed an accompanying gender strategy, which sought to unlock the untapped potential of Ugandan women in trade and make their participation in the export sector more effective.

This process was led by the Uganda Export Promotion Board (UEPB), who led consultations with a range of national stakeholders. Through a highly collaborative approach, four export sectors (coffee, tourism, commercial crafts and dairy) were selected as focus sectors. Detailed gender sensitive value chain analyses were undertaken and cross-cutting sector constraints were identified as limiting women’s participation in exports. These were:

- Lack of access to affordable energy
- Unequal land accessibility
- Unfair commercial environment
- Lack of access to credit finance
- Lack of access to information
- Lack of export competence among women

Strategies and programs were designed to support the realization of the potential of women in these sectors. Activities comprise capacity building in export management and related skills for women entrepreneurs, business counseling for women, training in financial management, and business mentoring and training.

Source: UEPB (2008)

4.2. Supporting women’s networks, associations and access to information
Business networks are one of the most pivotal resources an enterprise can leverage for growth: market information, linkages to suppliers and investors, and even access to financing can all be enhanced through networks. Chambers of commerce and industry associations have typically been male-dominated, however, and in some cases retain a gender bias against women.

In response, women’s business associations have proliferated across the globe, including in the Latin America region. These associations and their networks can provide access to information and contacts that are vital to tapping into new distribution channels and supply chains and useful in obtaining credit and access to technology. They can also provide mentoring opportunities for women, and make female entrepreneurs more aware of policies and programs in place to support them (GTZ et al., 2010). In the case of the Association of Women Leaders-Chile, discussed in Box 5 below, members say that access to international networks such as the Women Leaders Network has helped them with their own businesses and raised the profile of women entrepreneurs in Chile. For example, in 2006, the president of WLN Chile met with President Bachelet, and in 2007/08, members participated in the in the APEC Small and Medium Enterprise Working Group project, ‘Models for Supporting Women’s Micro-Enterprise Development’.

**Box 5: Connecting Latin American business women through networks**

| **Association of Women Leaders-Chile** | was established by a group of Chilean women who attended the 2004 Women Leaders Network (WLN) meeting in Serena, Chile. The group received support from Sercotec (the Chilean Government’s service for technical cooperation) and the mayor of Coquimbo to formalize their association. Members have very diverse businesses, ranging from aquiculture, horticulture, crafts and services. A coordinator offered training for members in areas such as accounting, business, gender, financing, technology, and exporting. SERNAM, Chile’s Office for Women’s Affairs, includes the association in government meetings, and has facilitated its participation in subsequent international WLN meetings. |
| **CPMEN** | (Congreso Permanente de Mujeres Empresarias de Nicaragua) is a national movement aimed at supporting Nicaraguan businesswomen in the national economy. It helps women entrepreneurs find business opportunities and solutions at the local and national level. CPMEN provides capacity building and public policy advocacy. |
| **Endeavor** | is a non-profit organization that supports ‘high-impact’ entrepreneurs. Its programs are not specifically geared toward women entrepreneurs, but provide training, operational support and access to financial networks to selected scalable entrepreneurs at the base of the pyramid. Endeavor has programs in Chile, Brazil and Argentina. Endeavor Chile is one of the executing agencies of the Chile Emprendedoras program supported by the Inter-American Development Bank. |

*Sources: GTZ et al. (2010) and Gibb (2008)*

The Organization of Women in International Trade (OWIT) is a global, chapter-based organization which seeks to foster international trade and the advancement of women in business. There is an OWIT chapter in Peru.³

Supporting women producers to form producer groups can facilitate an enabling environment for sharing information on market opportunities, as well as better terms in export markets, is also being advocated (see for example Higgins, 2012; International Trade Centre, 2007:53; UNCTAD, 2011:58).

Information and communication technologies are also proving an effective vehicle for bringing information to women traders and entrepreneurs. By facilitating better access to information, ICT

services have the potential to play an important role in transforming markets and making them sites of cooperation in which otherwise disadvantaged producers and users of goods and services can interact without the intervention of large powerful intermediaries. Mobile phones for example, are increasingly used in many remote rural areas by women farmers to learn market prices for inputs and crops. In Senegal, for example, the Grand Coast Fishing Operators Union, an organization of women who market fish, set up a website to promote their produce, monitor export markets and negotiate prices with overseas buyers before they arrive in the country (Hafkin and Taggart 2001 in World Bank et al., 2009)

But as Gibb (2008) emphasizes, women executives, entrepreneurs and producers are not homogeneous groups, and their capacity to respond to challenges and opportunities presented by trade agreements is mediated by this diversity. Women entrepreneurs, particularly rural women, are often marginalized from mainstream business networks, and can benefit from initiatives that help to reduce women’s exclusion from formal economic structures, develop networks and systems of information exchange, provide an advocacy channel and create and promote women entrepreneurial role models. For example, research conducted on gender, information and communication technologies and micro- and small enterprises in Peru found that women with lower levels of education and whose first language was not Spanish used the internet and phones less frequently (GATE, 2009b).

4.3. Supporting women entrepreneurs through trade and export authorities and missions

Historically, women have not been specifically represented by trade and export authorities, or equally represented in international trade events and missions. But as outlined by the International Trade Centre (2007: 34), including women in international trade missions and delegations sends a clear signal that a government is proactively encouraging women in business and exporting. Given the important role women can play is driving exports and related economic growth, and the emphasis of global commitments such as the Millennium Development Goals (MDGs) on improving the situation of women, particularly through gender equality and empowerment, this can only enhance the image of the country while making sound sense in terms of economic and human development.

Over the past two decades many countries have sought to address this imbalance. For example, the Canadian Trade Commissioner Service hosts Business Women in International Trade (BWIT). BWIT supports women entrepreneurs in international trade by representing and advocating their commercial and economic interests in export. In Canada, 4 out of 5 businesses are started by women. Representing 47% of small and medium-sized enterprises, women-owned businesses are growing at a faster rate than those run by men. Further, women business owners generate almost 40% of their sales in foreign markets and provide 1.7 million Canadian jobs. BWIT facilitates access to information specific to women entrepreneurs, including support networks, government resources, events, and services available to Canadian business women. They also partner with key stakeholders to leverage supplier diversity procurement opportunities with Fortune 500 companies through trade missions. All-women trade missions have also been sponsored by the Department of Foreign Affairs and Trade (DFAIT) and provide an important vehicle for businesswomen to reach out to foreign markets. In 2011, 24 Canadian women participated in the Asia-Pacific Economic Cooperation (APEC) Women and the Economy Summit hosted by U.S. Secretary of State Hillary Rodham Clinton in San Francisco September 13-16, 2011. The group included business women, as well as representatives from DFAIT and other government

4 www.businesswomenintrade.gc.ca.
departments, academia and associations. The delegation was led by the Honourable Rona Ambrose, Minister of Public Works and Government Services and Minister for Status of Women. In 2012, BWIT organised a trade mission to the annual Women’s Business National Enterprise Council (WBENC) National Conference and Business Fair in Orlando, Florida. This is the world’s largest business fair for women-owned enterprises, offering business women access to contract opportunities with Fortune 500 companies and governments through their supplier diversity programs (see section 4.4. below). The conference and fair includes training and workshops about selling to Fortune 500 companies, opportunities to connect with buyers and potential partners, and support from the Canadian trade commissioners who have insight into opportunities in the market. The event was expected to attract 3200 participants and more than 300 exhibitors (DFAIT, 2012).

The Malaysia External Trade Development Corporation (MATRADE) introduced a special programme in 2005 to assist women exporters: the Women Exporters Development Programme. This programme targets entrepreneurs who are keen to expand beyond Malaysia's borders, and aims to improve their knowledge of international markets. Through its network of 42 offices worldwide, MATRADE helps these women network with buyers and partners abroad to secure export opportunities, and also provides mentoring and advisory services. Since its inception, the programme has succeeded in grooming women entrepreneurs from a wide range of sectors to become sustainable exporters. Today, more than 3200 women-owned or women-managed companies have registered as exporters with MATRADE. The program supports women to participate in international trade promotion events, and offers skills development opportunities and international marketing support, focussing on access to markets, financing and leadership – areas identified as keeping Malaysian women entrepreneurs from reaping the full benefits of international business (Sum, 2012).

4.4. Building capacity through skills development and training

To enhance women’s participation in the production and export of products through their integration in international supply chains, attention needs to be paid to education and skill accumulation (UNCTAD, 2011). Specifically, to ensure that their products are competitive internationally, access to suitable training programmes for women to enhance production capacity and upgrade product quality to meet standards and demand is likely to be crucial (International Trade Centre, 2007: 27). To identify areas where skills development and training for women entrepreneurs, women producers and women-led export firms is required, gendered value chain analysis, outlined in 4.1., is instructive.

There are several examples of skills development and training programs. For example, the IDB and UNCTAD partnered for a three-year capacity-building programme for El Salvador, Guatemala and Panama whose general objective was to create sustainable capacity for entrepreneurship promotion and was focused on making extra efforts to reach out to women entrepreneurs, university graduates, and technology-based entrepreneurs (UNCTAD-IDB Partnership for Central America and Panama, 2003 in Coche et al. 2006). The Government of Mexico, in cooperation with the ILO Gender Promotion Unit (GENPROM) and as part of its campaign ‘More and Better Jobs for Women’, launched an initiative in the state of Guerrero to train 400 women in the urban informal sector in entrepreneurship skills as well as improve their knowledge of the financial system and of the opportunities that are available to them for technical training (International Labour Organization. 2003b in Coche et al., 2006).

In Chile, SERCOTEC, which operates within the Government of Chile’s Corporation for Production Promotion, has the mandate to support micro and small entrepreneurs. SERCOTEC pays special
attention to female entrepreneurs and has adapted its services to their needs, especially focusing on their need for accurate information regarding how to access credit or markets. The Competence Generation Program for Business and Entrepreneurial Women offers capacity building through courses covering issues such as financial and human resource management. In 2008, 1,306 women received training through the program and in 2009, 1,904 places were made available for female entrepreneurs. SERCOTEC also works with private banks, offering subsidies and guarantees to reduce the risk faced by banks and encourage their lending to micro entrepreneurs. Female applicants are given priority; between 2007 and 2009, 42.5% of loans issued with this program’s support went to women entrepreneurs. A Seed Capital for Women program exists, with support from the National Development Fund (SERCOTEC in GTZ et al., 2010).

4.4. Leveraging supplier diversity initiatives

Globally, women-owned firms are looking to capitalise on supplier diversity initiatives. Supplier diversity emerged in the United States nearly 15 years ago. Today, 97% of Fortune 500 firms have programs in place that set aside a specific dollar of percentage amount for purchased from under-represented groups, such as women, disabled and visible minorities entrepreneurs. For example, Walmart's supplier diversity commitment was $9.2 billion in 2009 (DFAIT, 2011).

WEConnect International® is a corporate led non-profit that helps to empower women business owners to succeed in global markets. It provides knowledge, networks, certification and a platform women business owners need to reach new markets. WEConnect partners with a range of supporting organizations to identify and certify businesses that are at least 51% owned, managed and controlled by one or more women. WEConnect upholds the universal certification standard developed in collaboration with the Women’s Business Enterprise National Council in the United States. It serves corporate members, who pay membership fees and have an active supplier diversity program or are soon to have one. These members have access to a secure global database, guidance on supplier diversity and education and networking events. Critically, WEConnect certifies women’s business enterprises, which gives these businesses the ability to compete for business opportunities provided by WEConnect International corporate members. These businesses have access to a secure global online community of members and women owned businesses, as well as capacity building, mentoring and networking opportunities. WEConnect is operating in Peru (see Box 6).

**Box 6: WEConnect Peru**

<table>
<thead>
<tr>
<th>WEConnect</th>
<th>is operating in Peru, working with USAID Peru and the U.S. Department of State Pathways to Access Initiative (PAI), which supports U.S. corporations seeking supplier diversity and inclusion in Latin America by identifying, training and certifying women owned businesses that qualify as diverse suppliers of goods and services. While supporting U.S. corporations, the long-term objective of the PAI is to increase the access Peruvian women owned businesses have to new markets so that they can compete for contracts and increase their economic productivity.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Inter-American Development Bank, through its Integration and Trade Sector, is collaborating with WEConnect and Walmart on a project called 'Incorporating Women Businesses in International Global Chains.' The goal of the project is for women owned businesses in Peru, Chile and Costa Rica to gain access to new markets and increase their economic productivity as employers and community leaders. The project focuses specifically on the education, training and outreach processes required to support women owned businesses who participate to have the networks and knowledge they need to prepare themselves to compete for larger contracts. The program</td>
<td></td>
</tr>
</tbody>
</table>

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5 www.weconnectinternational.org.
also seeks to assist multinational corporations to become more aware of the potential business opportunities of women vendors. WEConnect links corporate members to women owned businesses, and trains and certifies these businesses so they are ready to establish contracts with large corporations in global markets.

Source: IDB (2012)

5. Supporting gender equality through trade: practical guidance for Colombia and Peru

Before providing specific advice, it is useful to contextualise the Colombian and Peruvian experience, and recognise successes and remaining challenges.

5.1. Gender equality and trade in Colombia

A number of laws seek to support gender equality in Colombia. These include:

- **Law 823, “Equal Opportunities for Women”, 2003**: This law sets out the basic fundamental rights of Colombian women (i.e. political, civil, economic rights as well as the principles on which additional government policies and programs should promote equal opportunities for women).
- **Colombia’s “High Presidential Council on Gender Equity” (Alta Consejería)**: This council has a mandate to spearhead activities (including government programs and donor-funded technical assistance) that promote Law 823, in collaboration with other ministries. The council is currently developing an operational framework, based on community consultations undertaken in 2011, to identify priority areas requiring government attention. One of the components of this framework is on “Autonomous Economic Empowerment”.
- **“National Development Plan: 2006-2010”**: This is a national plan for sustainable economic and social development, with corresponding regional plans. These plans include gender elements (e.g. promoting equitable female participation in labour markets and in agricultural production).

Colombia also has a number of laws for specific groups of women and specific harms facing women:

- **Law 1542 on Violence Against Women**, 2012.

The 2012 World Development Report *Gender Equality and Development* celebrated Colombia’s progress in gender equality and women’s economic empowerment. The Colombian economy has expanded one and a half times since 1980. During this time, there have been significant improvements in the status of women. For example, from 1986 to 2005, the fertility rate dropped from 3.2 children to 2.4 children. Women reversed the education gap and now have higher completion rates than men in primary, secondary and tertiary education. In 1980, the labour force participation of Colombian females in the 13 largest cities was the second lowest in Latin America, but by 2004 it was the second highest, next to Uruguay. Remarkably, the highest increases were among women with children under the age of 6 years – women least likely to work in most countries (World Bank, 2011: 12).

Colombia subsidises and regulates the public provision of day care through *Hogares Comunitarios*; evidence suggests that countries with similar schemes increase the number of hours worked by women, as well as lead them to more formal employment (World Bank, 2012: 26-27). In addition, the mandate and enforcement of joint titling for land parcels has increased the share of female
beneficiaries from agrarian reform from 11% to 45% (Deer and Leon, 2001 in World Bank, 2011: 230). 30% of all political appointees, including in cabinet, must be female in Colombia – promoting greater levels of participation and representation in decision making (World Bank, 2011: 307). Some challenges remain, however. Lack of social assets and property rights still constrain women in negotiating the right to work, controlling income and contesting domestic abuse (Friedemann-Sanchez, 2006 in World Bank, 2011: 88).

There is a strong support and intervention by the Government of Colombia to facilitate accessibility of international markets for Colombian businesses. This is leaded by the Ministerio de Comercio, Industria y turismo. Women are of course able to access available policy incentives and initiatives, but some gender-intensified constraints exist. It should be noted, however, that in one of the most recent reports from the Ministry, the word ‘women’ appears only once to point out a very specific activity on training. The word ‘gender’ does not appear at all. In this sense, this document and associated initiatives are ‘blind’ to gender concerns.

Focusing on the textiles and cut flowers, MacLaren (2012) outlines some of the particular opportunities and constraints that women face in export markets in Colombia. These are outlined in Box 7 below.

**Box 7: Women and textiles and cut flowers in Colombia**

| Textile and garment exports in Colombia | were valued at $1.1 million in 2011. The manufacturing of cottons, fibres, textiles and garments is one of the Colombian government’s strategic sectors under the 2004 Domestic Agenda on Competitiveness and Productivity. This trade promotion policy seeks to strengthen distribution channels, access to new markets and to further integrate global chains. This sector has experienced sustained growth over the past few years and in 2010, the sector supported almost ten thousand (8905) firms, mainly in Bogota, Medellin and Cali. These firms generate a significant number of permanent and contractual jobs (129,434 in 2007), 60% of which are held by women. A key concern from a gender perspective is that outsourcing has become common. A recent study on textile business conglomerates in Bogota found that the vast majority of firms subcontract assembly, pattern-making and sewing processes, which are labour intensive and imply third-party subcontracting labour savings. Furthermore, ‘maquilas’, or small and informal satellite businesses, which depend on contracts from medium and large sized enterprises, have proliferated. These businesses employ a predominantly informal, female labour force, illustrating typical gender inequalities in the sector’s labour force and business ownership. Another concern relates to how trade liberalization has affected SMEs, where women are disproportionately employed. The textiles industry has been particularly hard-hit by international competition. Trade liberalization also led to an increase in international imports, which dampened growth. This impacted women in a number of ways: as workers, they were most affected by the fall in wages, economic insecurity and job precariousness and as small business owners, women were adversely affected by the increase in international competition; as consumers, however, women benefited from the lower prices and the larger variety of products on the market. The cut flower industry has also had positive and negative impacts from a gender perspective. Colombia’s cut flower industry has grown over the past few decades to be solely export-oriented and highly competitive globally (the Colombian product represents 14% of the world market in flowers). Colombia’s 169 export firms operating in the sector have benefited from market access to the European Union, the United States, and, since 2010, the

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9 Curso Internacional Micro emprendimientos Turísticos para el Empoderamiento de la Mujer Rural, p. 25
10 For references to evidence cited see MacLaren (2012).
Canadian free trade agreement. The Ministry of Agriculture (through the Finagro program), provides income protection incentives for Colombian firms in the agro-export industries, including floriculture.

The cut flower industry is a significant source of income for urban and rural women and men in Colombia, employing more than 180,000 people. The industry has demonstrated a preference for female labour over male labour, as women are perceived to be best suited for the delicate nature of many of the industry’s occupations, such as pickers, sorters, arrangers, and packers. It is estimated that 65% of workers in the country’s flower industry are women.

Academic studies draw mixed lessons from Colombia’s experience in promoting this sector. Recent research commissioned by the Latin American chapter of the International Network on Gender and Trade cites precarious and casual work, food security, and gender discrimination, as key concerns arising with the sector’s expansion. While the linkage to international flower markets has, to some extent, increased the level of labour standards to which exporting firms are held accountable, labour standards enforcement continues to be a problem, particularly under the practices of small and medium-sized firms and sub-contractors. Owing to the increasing number of hectares diverted away from domestic food production to flowers, food security is cited as a gender-related concern in the context of aid programs providing incentives for labour to move into cut flower production. The trend of female migration to large export-processing regions to seek work has sometimes resulted in changing family structures and water contamination near Bogota, lack of adequate occupational health standards and mental health issues are other concerns facing workers and communities.

Private sector-driven initiatives are in place to improve the sector’s labour and environmental track record. The industry’s business association (ASOCOLFLORES), for example, created its own social responsibility code (Flor Verde) in 1996 and has since funded a number of community development programs, including in health and education.

5.2. Gender equality and trade in Peru

A number of laws seek to support gender equality in Peru. These include:

- The Constitution “Constitución Nacional”, which enshrines equal access to representation for women and men in municipal elections (article 191).
- The 2002 National Agreement “Acuerdo Nacional”, which includes equal opportunity and anti-discrimination clauses.
- Law 28983 “Equal Opportunities between Women and Men”, which sets out a broad range of equal rights, including the right to equality of the sexes, autonomy, well-being and access to public resources at the local, regional and national levels.

Strategies and regulations relating to gender equality include:

- “2006-2010 National Plan on Equal Opportunities Between Women and Men”, which includes a section on the economic empowerment of women, especially government support for women-run business and improving incomes in rural and urban areas. Decree 027 promulgated in 2007 establishes legal obligations on the local, regional and national governments to implement the Plan.
- “Regional Plans on Equal Opportunities Between Women and Men” (PRIOs) are also being developed, in collaboration with technical assistance from Peru’s Ministry for Women (MIMPV) and the Decentralization Department (Dirección General de Decentralización).

There have been some notable improvements in the status of women in Peru in recent decades. For example, the percentage of employed women who completed secondary or tertiary schools in Peru increased from 68% to 81% from 1986 to 2001 (Nopo, 2004 in GTZ et al. 2010: 16). Women own 44% of micro firms in Peru, 20% of small firms and 23% of medium-sized firms (Bruhn 2009 in
So while women are engaged as business owners, they are more represented in micro firms than small and medium enterprises.

Strategies to advance the economic empowerment of women and increasing women’s participation in trade are often delivered at a regional or local level - for example, when a regional government decides to put financial resources toward supporting women-led businesses, as a result of the PRIO. Meetings NSI held with civil society and business in Lima suggest that there is often a gap between policy and practice at the regional level – for example, where PRIOs have been formed in collaboration with civil society, but are not implemented (e.g. Puno region). Efforts have also been made to establish projects to track important gender indicators at regional levels (*Observatorios sobre equidad de género*).

Focusing on agriculture, MacLaren (2012) outlines some of the particular opportunities and constraints that women face in Peru. See Box 8 below.

**Box 8: Women and agriculture in Peru**

In Peru, agricultural exports – including asparagus, grapes, mangos, and coffee – have recently experienced accelerated growth due to the signing of various free trade agreements, including with Canada. According to the export promotion branch of Peru’s Ministry of Trade, in 2011 agricultural exports grew by 30% over the previous year, amounting to $2.8 billion. Growing demand for agricultural workers has resulted in the creation of new towns around agricultural export businesses in regions like Ica and La Libertad.

This sector is highly labour intensive and a major employer for rural Peruvians. Over the past few years, Peru has seen a significant increase in female employment in crops such as fruit and vegetables. In fact, female employment has risen faster than male employment in the main agricultural regions of the country. Women are employed at all stages along the sector’s value chain, however employers tend to hire women with low levels of education, including indigenous women; the majority of these occupations have poor health benefits and are temporary in nature.

Peru’s agro-export industries are dominated by large producers. Large firms in Peru’s agro-export sector tend to have low re-investment rates in the local economy, despite high profit margins. While many large agro export businesses provide useful services that benefit both men and women (i.e. roads and infrastructure) and espouse corporate social responsibility codes, critics argue that the Peruvian firms and the government should do more to ensure decent work standards (e.g. social security, health insurance) are met, especially for women.

At the same time, the majority of small agricultural businesses - where Peruvian women workers are overrepresented – produce for local, as opposed to international, markets. These businesses tend to be less competitive and dynamic than areas where male workers dominate, marginalizing rural women from greater access to trade benefits. As a step in the right direction, there is currently debate on reforming Peru’s Law on Agricultural Promotion (no. 27360), in order to improve labour regulations and to provide more support to small and medium sized businesses in the sector.

**5.3. Policy guidance**

What steps can stakeholders in Peru and Colombia, and those seeking to support them, take to promote the participation of women entrepreneurs, women producers and women-led export firms

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11 For references to evidence cited see MacLaren (2012).
in accessing the market opportunities of free trade agreements, particularly the free trade agreements with Canada?

- **Gendered value chain analysis**

  Conduct gendered value chain analyses in key value chains to understand the specific constraints that women face in leveraging export market opportunities. For example, this could include in-depth value chain analyses of textiles and cut flowers in Colombia and agricultural exports in Peru. This analysis should point to gender-intensified constraints in exporting, and policies can then be formulated to respond to the specific needs of women participating in that value chain.

- **Skills development and training**

  Through skills development and training, support women-led export firms and women entrepreneurs to be competitive in export markets, and women workers to secure higher wages and more secure employment through better jobs. Ensure that this training is conducted in ways that are accessible to and appropriate for women.

- **Facilitate access to credit**

  Support initiatives that facilitate access to credit for women entrepreneurs and women-led export firms.

- **Support women's business networks and associations**

  Support women's business networks and associations, and women-led producers groups and cooperatives, to raise the profile of women in trade, provide opportunities for information exchange, and support women to coordinate to achieve economies of scale and get better terms in export markets.

- **Include gender in the mandates and initiatives of trade and export authorities and trade missions**

  Specifically promote women entrepreneurs, producers and women-led export firms through initiatives and mandates in trade and export authorities, and trade missions.

- **Harness supplier diversity initiatives**

  Support women-owned businesses to capitalize on the supplier diversity initiatives of global firms, and leverage global value chains, through initiatives such as WEConnect.
6. Bibliography


