

Free Trade Agreements: Monitoring Gender Impacts

Standard economic theory assumes that trade liberalization benefits men and women equally and reduces poverty by enhancing economic growth. While international trade can indeed help reduce poverty by creating jobs for women, it often affects men and women differently. Why? Trade differentially affects individuals and groups through changes to employment and wages, government revenues, and process of goods. In turn, the decisions of governments, firms, and households all influence the nature and extent of these changes for women and for men.

To understand the gender-differentiated impact of trade agreements, gender impact assessments are necessary. They can help identify the intended and unintended impacts of trade liberalization. In turn, they can help public and private sector stakeholders to understand where and how to take action to use trade agreements to support more inclusive patterns of growth.

This policy brief discusses the importance of monitoring the impacts of free trade agreements from a gender perspective. It presents a number of approaches to gender impact assessments, and provides a set of possible indicators for examining trade impacts from a gender perspective.

Governments have longstanding international obligations to promote women's economic rights. The 1979 United Nations (UN) Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), for instance, holds that all countries have obligations to respect and fulfill various women's economic rights and to ensure non-discrimination between men and women. In 1995, UN members agreed to "[s]eek to ensure that national policies related to international and regional trade agreements do not have an adverse impact on women's new and traditional economic activities" (UN 1995, F.1. 165. k.). The watershed 2004 UN Conference on Trade and Development report on gender and trade recommended that gender analyses begin during the negotiation phase of any new FTA and gender considerations are ultimately integrated into final FTA texts. This recommendation is important, in terms of substance, because an analysis can inform provisions to safeguard and promote gender equality, in the core text of an agreement or in side agreements. It is significant with regard to warning of the possible negative impacts on men and women before an agreement is signed. It is also important procedurally because institutional mechanisms, such as trade commissions, can be used to assess the gendered impacts of an agreement.

Designing a Gender Impact Assessment

By regularly integrating gender impact assessments into trade agendas, government officials and private sector and civil society actors can contribute to attaining common objectives. Policy analysts and trade program managers can improve the ways in which policy is formulated and implemented, thereby increasing effectiveness, transparency, and accountability to stakeholders. Private sector actors can better assess their business development strategies as well as labour and corporate social responsibility codes. Civil society actors can provide an important watchdog role by helping to identify issues that might be overlooked by government officials and private sector actors.

A number of approaches to trade impact assessments exist, with varying degrees of focus on gender equality. These assessments can be conducted before (ex-ante) or after (ex-post) a change in trade policy, such as the implementation of an FTA, has taken place. Table 1 outlines a selection of these approaches, the impacts they examine, and their objectives.

To undertake a gender impact assessment of a trade agreement, it is important to set out clear objectives from the outset, including why the evaluation is being pursued, for whom, and over what period of time. Questions to ask before undertaking the gender impact assessment include:

- Why are you interested in assessing the impacts of trade in a country from a gender perspective? Are you particularly interested in the way in which women and men of a region, population, or group may be affected by trade?
- Do you have a hypothesis about which positive/negative impacts to test? What are the anticipated impacts of the trade agreement?
- Who is the intended audience of the assessment (e.g., a private firm, a regional population)?
- What is the intended outcome (e.g., an improved trade policy or mitigation program)?
- Who will be participating in the assessment and what can be done to include all relevant stakeholders?

Table 1. Trade impact assessments

Type	Impact	Objective
Sustainability impact assessment	Ex-ante assessment that often includes an analysis of gender equality concerns	To draw out hypothetical projections of potential economic, social, and environmental impacts directly linked to FTAs
Gender trade impact assessment	Ex-post assessment that considers the impacts of trade on both men and women	To analyze the direct and indirect impacts of trade agreements from a gender perspective
Trade impact review	Ex-post assessment that considers the impacts on women and men in both countries party to a trade agreement	To understand the impact of trade policy changes on the price of goods and services, the costs of labour, and the sexual division of labour
Gender-aware framework	Ex-ante assessment that considers gender impacts of trade agreements in developing countries	To analyze the import competition effect and revenue effect of trade agreements and examine the likely gender impacts of changes in labour force composition, working conditions, earnings, labour market segmentation, access to and control over resources, household time burdens, consumption, and social services

Sources: DEVELOPMENT Solutions, CEPR, and IDPM (2009); Tran-Nguyen and Zampetti (2004); Gammage et al. (2003); Fontana (2009).

Once the objectives and methods of the assessment are validated by all people involved, the evaluation team must identify which available data sources it can draw on, which key categories of analysis it will examine, and which indicators will be selected to monitor changes in those categories. It is best to triangulate quantitative and qualitative data sources when possible.



It is also important to give some thought to the timing of the gender impact assessment. If linking the analysis to a particular FTA, the research team should (1) identify the year when the trade agreement entered into force (this is the year from which baseline data should be collected) and (2) identify “milestone” years when indicators will be monitored over time (for instance, the years when tariffs were/will be reduced or eliminated in sectors of interest) or a time series period. If the research team intends to examine domestic laws and regulations implementing the trade

agreement, then it may want to look at a long period of time.

Monitoring Gender Impacts

Table 2 offers questions and indicators that can be included in gender impact assessments to understand the gender impacts of trade agreements across a range of dimensions.

Table 2. Gender impacts monitoring matrix

Impact Type (Category of analysis)	Key Questions	Impact Indicators
Wages and work conditions	How has the gender composition of the labour force changed?	# male workers in sector # female workers, by occupation
	Have salaries increased/decreased?	Annual salary levels, by occupation and by gender
	Is the percentage of jobs that are subcontracted/informal increasing/decreasing?	% subcontracted/informal jobs for men/women, by sex
	Have permanent jobs increased/decreased? Has this been sustained over time?	% or # formal jobs for men/women, by year and by gender
Career development	Do employers provide training and incentives to develop workers' skills base?	\$ invested in training/incentives for men/women, by firm
	Have new job opportunities/categories been created for women and men?	# and type of new jobs for men/women, by firm
	Has gender segregation by occupation increased/decreased (net or compared to other sectors)?	# male/female workers, by occupation
Social security	Do gender gaps exist in benefits coverage (social security/health)?	# male/female workers with benefits coverage, by type
Discrimination	Has the gender wage gap increased/decreased?	Salary levels, by occupation and by gender
	Do hiring protocols ban gender discrimination (impacting men or women) on the part of small, medium, and large employers in the sector, and are these enforced?	Primary sources (hiring protocols) and secondary sources
Competitiveness of small and medium-sized enterprises (SMEs)	Are trade promotion programs or initiatives targeting small, medium, and large firms?	# SMEs and large firms targeted, by sector/region, by women-led business
	Are SMEs receiving the required training and information services to be able to access new export markets?	# SMEs targeted # women-led businesses targeted Type(s) of training and information
	Are small businesses facing particular barriers being targeted by trade promotion programs?	# minority/women-led business beneficiaries # minority/gender-specific initiatives
Access to assets/resources	Are business owners (women and men) able to access sufficient resources and capital, and in turn to access new export markets?	Levels of start-up capital, by sector and by firm
	Has the distribution of land ownership changed? Has food insecurity become a problem in main regions affected by the sector?	Primary sources (land ownership policies and regulations) # of child food programs in schools, by region
	Have rural-urban migration flows changed in main regions affected by the sector?	Internal migration trends, by region

Data

Any gender impact assessment of trade depends on the availability of recent and reliable sex-disaggregated data. Therefore, we recommend using multiple data sources, and a combination of quantitative and qualitative data.

A range of data sources are available at the country level through, for example, national statistical agencies and national labour market and export surveys. In addition, there are a number of multilateral organizations that compile labour market, trade, and export sector data on a country basis. Of interest are the International Labour Organization's Key Indicators of the Labour Market database (KILM), the UN Conference on Trade and Development's population and labour force statistics (UnctadStat), and the UN Economic Commission for Latin America and the Caribbean (ECLAC).

These sources are far from comprehensive and hence they may not meet the needs of researchers interested in a broader gender analysis of trade and export promotion. There is a clear need for entities dealing with trade—not only trade ministries but industry partners as well—to collect a more diverse array of gender-disaggregated data. Surveys capturing information about the number of female-led businesses, businesses with high numbers of female executives, businesses with a large number of female employees, and the success rates of SMEs in accessing new export markets, for example, would be very useful in monitoring the gender impacts of trade.

References

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