



Task Force 6  
**Social Cohesion and the Future  
of Welfare Systems**

**Policy brief**

# **CAN TRADE ENHANCE LABOUR MARKET ACCESS AND JOB OPPORTUNITIES FOR WOMEN? THE INHIBITIVE ROLES OF ENTRENCHED GENDER INEQUALITY**

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## ABSTRACT

This policy brief sheds light on the implications of EU trade policies – with a special focus on food safety standards – for women’s access to the labour market in developing countries. The thrust of this policy brief is to highlight the entrenched inequality of opportunities and gender bias in developing countries that the G20 have development cooperation with, and how such inequalities interact with their trade policies. Also, it expands the understanding of what dictates and perpetuate these inequalities, the challenges associated with both the trade policies and the responses to simplified trade measures, with the aim of proposing how to overcome the challenges. We proposed that the G20 should encourage equality and anti-discrimination laws in developing countries by making the reform of domestic laws and institutions of developing countries, which are perpetuating inequality for women, a pre-condition for further development cooperation with developing countries. Furthermore, the G20 should bolster its agricultural trade policy measures by providing technological and scientific support to female farmers to facilitate their compliance to such measures. Another policy option is for the G20 to increase its share of aid disbursed to agriculture and to gender equality in the agricultural sector. In addition, the G20 should alleviate the cost of compliance with food safety measures through harmonisation of standards or mutual recognition of standards as equivalent.



# CHALLENGE

In many developing countries, agriculture is the major source of employment and a significant proportion of women are concentrated in its export sector. A significant part of agricultural production is exported to developed countries. However, agricultural products are subject to several trade policies, in which food safety standards<sup>1</sup> are prominent. Complying with food standards is posited to facilitate market access of food products to global markets which in turn ensures that women's employment in the agricultural sector is secured, given that women are concentrated in this sector. However, the investment costs of compliance with such standards are enormous (Maskus 2005) and difficult to bear for farmers in developing countries, many of whom are women, consequently resulting in reduced employment opportunities for them in the agricultural export sectors (Kareem and Kareem 2020; Fontana and Paciello 2009).

The recognition of the potential inhibitive nature of trade policies such as food safety standards as being gender-sensitive have led to the inclusion of gender-friendly provisions and clauses in many G20 trade agreements and arrangements with developing countries. As such, many development policies, as exemplified by many of the G20 recent trade agreements, now have provisions obliging trade partners to promote the achievement of gender equality and empowerment of women, ensuring that they benefit from trade and trade-related activities, opening employment opportunities to them in line with the UN SDG (EU Parliament 2019).

Nevertheless, such policies might be watered down due to existing and entrenched inequality of opportunities in developing countries. Moreover, evidence shows that increased globalisation and trade liberalisation policies have not widely resulted into improved standard of living and employment opportunities for women in many developing countries (ILO 2012) due to the entrenched gender-specific obstacles (Amin and Islam 2014; Kareem and Kareem 2020; Hyland et al. 2020). These obstacles relate to gender inequality in education and training, their lack of specific education<sup>2</sup> and technical capacity to comply with trade regulations such as food safety standards. Even when available, most training is not designed to cater for the limited time that women have available (Kabeer 2012). Women face significant disadvantages due to entrenched gender roles, particularly those relating to their double burden of unpaid domestic care and reproductive activities which result in significant time poverty and mobility constraints. All of these limit their ability to fully engage in gainful employment and increase their vulnerability to job losses (Wamboye and Seguino 2015). For instance, they spend about 4 hours 30 minutes on unpaid care responsibilities while men spend about 1 hour 20 minutes (ILO 2016), leading to significant time poverty for women.

Furthermore, in many developing countries women are also disadvantaged due to laws and norms that limit women's freedom of movement; laws that affect women's decisions to enter and remain in the labour market; laws and regulations that constrain women when



starting and running their businesses; marriage-related legal constraints in some countries; laws which affect their work after having children (Hyland et al. 2020). All these obstacles affect their economic inclusion and ability to benefit fully from global trade and trade liberalisation policies such as those simplifying food standards regulations.

Therefore, addressing this issue is of paramount policy importance given the role that gender equality and women empowerment play in stimulating economic growth and development (Balioune-Lutz and McGillivray 2009). This is reinforced by the fact that women's control of resources tends to increase households' share of the budget allocated to children's health, education and nutrition-related expenditures and significantly increases human capital development (Quisumbing and Maluccio 2003). Thus, addressing the root cause of gender inequality by the G20 in cooperation with affected developing countries is important given that such inequality might dampen the beneficial effects of G20 development cooperation policies. This necessitates a much more interventive role for the G20 to ensure that the impacts of development cooperations are not watered down by entrenched gender norms and inequality.



# PROPOSAL

The G20 cooperation with many countries in relation to ensuring that trade contributes to decent work for women, empowers them and reduces gender inequality is currently limited to a few policies initiatives<sup>3</sup> and applies to a handful of countries. This current level of engagement is insufficient considering the slow pace of changes and reforms to existing perpetrators of gender inequalities in many developing countries. Beyond the current initiatives, there are some additional policy initiatives that could also be concurrently explored to ensure a level playing field for both genders as they respond to G20 food safety standards and other trade policies. We propose some options to level the playing field.

## ***ENCOURAGING EQUALITY AND ANTI-DISCRIMINATION LAWS THROUGH CONDITIONAL DEVELOPMENT COOPERATIONS***

The G20 has been involved in a number of development cooperations with many developing countries which oblige the latter to ensure women empowerment and gender equality. However, available evidence shows that developing countries' national policies, laws and norms which disproportionately disfavour women are changing at a very slow pace relative to the agitation for gender equality and women empowerment. It demands political will for developing countries to reform such regulations and laws, and some politicians would not want to stick their necks out.

To promote gender equality in developing countries and prevent the G20's strategies of ensuring gender equality from being watered down by discriminatory domestic laws, the G20 should incorporate pre-ratification conditionalities in trade agreements before they are ratified. Thus, the G20 could make the reform of domestic laws, customs and norms of developing countries, which are perpetuating inequality of labour market opportunities for women, a pre-condition for further development cooperation with developing countries. Such conditionality should for instance oblige low- and middle-income countries' commitment to reforming discriminatory domestic laws and regulations that discriminate against women, and those that prevent them from entering the labour market and making use of economic opportunities.

Evidence suggests that trade policies affect women and men differently due to the social inequality already existing in the country as well as entrenched gender stereotypes and norms (Tejani and Milberg 2010). Thus, rigid gender norms that are perpetuating inequalities and labour market discriminations and preventing women from taking up employment can mean that even when trade policies result in expansionary employment, benefits can be slow to arise from reforms as inequality and discrimination are already entrenched into the society. However, conditionality measures tied to development cooperation can be an avenue to ensuring a change, and achieve reform particularly through the engagement with Non-Governmental Organizations (NGOs) and other agents of change at the grass root level.



## ***PROVISION OF TECHNOLOGICAL, SCIENTIFIC AND TRADE-RELATED SUPPORT TO FEMALE FARMERS***

Many of the G20 countries cooperate with the World Trade Organisation (WTO) to provide trade-related technical assistance to developing countries. However, many still do not specifically target women and women farmers. The G20 can provide technological and scientific assistance to small-scale women farmers and producers who dominate the scene in the agricultural sectors of many developing countries to ensure compliance with food safety standards. This will enhance women's access to employment in the agricultural sector, particularly the export market.

## ***STRENGTHENING THE PROVISION AND AVAILABILITY OF TIME-SAVING INFRASTRUCTURE***

Improving gender equality is at the forefront of achieving economic growth and development. Thus, labour market access and job opportunities can be enhanced for women through interventions that reduce women's time poverty and care burdens. Investments in time saving infrastructure that reduce women's domestic care burden should be undertaken to alleviate their time poverty, increase their mobility and free them to participate in gainful employment. Women as care givers usually spend a significant amount of their time in providing water and domestic health care particularly in rural areas where access to health, water and sanitary facilities is inadequate. As such, strengthening the provision of and accessibility to health care facilities, sanitation facilities and access to water can help reduce women's burden of unpaid domestic duties and make them available for paid employment.

Evidence suggests that women are disproportionately disadvantaged in the agricultural sector not only because of their inability to comply with food standards but more so because of their unequal access to opportunities (Kareem and Kareem 2020). Thus, proactive measures aimed at infrastructure investment that reduces women's care burdens and builds the educational capacity of women to effectively deal with such trade or food policies, could work to remove these gender-specific obstacles, enable women to respond to employment opportunities and minimize any gender disparity caused by trade.

## ***DEVELOPING COUNTRIES NEED TO INCREASE THEIR COMMITMENT TO IMPLEMENTING GENDER EQUALITY POLICIES***

Policymakers in developing countries must ensure a strong commitment to implementing affirmative gender equity policy in line with the United Nations (UN) 2030 sustainable development goal (SDG) on ensuring gender equality. Two-thirds of all countries have achieved gender parity at the primary education level, however, women are still faced with significant



inequality at all levels of education - primary, secondary, and tertiary (UNESCO 2018) as well as in training, and discriminatory laws persists in many societies undermining women's rights. These interfere with gender equality and women empowerment as well as access to decent work – goals 5 and 8 of the UN 2030 SDGs – which many countries are striving to achieve.

Over the past 50 years, the greatest inequality occurs in relation to pay and parenthood, as women face significant disadvantages in relation to remuneration, especially after they have children (Hyland et al. 2020). While there have been some legal reforms in relation to this, the pace is slow and progress is not uniform across developing countries and the commitment to their enforcement is not guaranteed particularly because norms and customs are more difficult to change in the short-run. Thus, to ensure the realization of these goals, laws and institutions that reinforce inequality should be reformed or repealed. Gender equality is extensively discussed in the public arena by policymakers in developing countries, and a few policy initiatives and measures have been put in place by many developing countries, however, gender disparity still abounds in all parts of life – education, economy, law, parenthood, etcetera. Thus, pathways to gender equality can be created through strong commitment to the implementation of affirmative gender equality measures. This requires adequate monitoring and whole-hearted enforcement by policymakers.

## ***AID TO AGRICULTURE AND GENDER EQUALITY/WOMEN EMPOWERMENT IN THE AGRICULTURAL SECTOR***

While there are extensive debates about the role of aid in economic development, historical allocation of Official Development Assistance – aid – to the agricultural sector is negligible for many developing countries. The G20 can channel more aid to the agricultural sector; particularly to more productive agricultural activities such as production, processing, and marketing, science and technology, as well as aid dedicated to fostering gender equality in the agricultural and rural development sector. Although the sector is one of the sectors that attracts the highest share of aid allocated to gender equality, the United Kingdom was the main donor between 2018 and 2019 (OECD 2021). Thus, there is scope for other G20 donor countries to increase their aid allocation to the sector to further ensure gender equality and women empowerment.

Increased aid allocation would foster institutional capacity building of farmers, particularly women farmers and facilitate their compliance with international food safety standards. Efficient coordination of the aid disbursement through the necessary channels is important if it is to have the intended effect. Coordination and monitoring by both aid donors and recipients are thus important to prevent misallocation and/or misappropriation of funding.



## **ALLEVIATING THE COST OF COMPLIANCE THROUGH HARMONISATION**

While demonstrating compliance with food safety standards is costly, the problem is further aggravated due to the absence of competent and recognized home-grown certification and accreditation institutions in many developing countries. A key catalyzing role by the G20 could include the harmonisation<sup>4</sup> of standards in trade policy and this provision should be included in new trade negotiations with developing countries, while existing trade agreements could be re-negotiated. Harmonisation of standards leads to less costly production as exporters do not have to pay multiple costs of compliance and demonstrate compliance to different G20 trade partners. Thus, food standards can open new trade opportunities particularly when such standards are harmonised.

Two policy options stem from the above – G20 countries can harmonise their standards to international benchmarked ones such as those of the Codex Alimentarius Commission of the FAO and WHO, or G20 partners harmonise their national standards to G20's norms and international standards. The EU had extended such efforts in its trade agreements with Moldova, Ukraine, and Georgia and such mandatory strengthening of institutions as a pre-condition to a gradual recognition of standards as equivalent should also be extended to other trade partners. Harmonisation of exporting countries' standards to EU and international standards can make the EU recognise such exporters' standards as equivalent.

## **RECOGNITION OF EQUIVALENCE OF STANDARDS**

A closely related policy option to the above is the mutual recognition of trade partners' standards as equivalent. Mutual recognition of standards reduces the costs of complying with standards as it ensures that participating countries grant unrestricted market access to products that meet other participating countries' standards. This is another proposal to the G20 which can ensure that trade does not become cumbersome to farmers, many of whom are women. Presently, the G20 only recognises a few countries' standards as equivalent. Conditional on the upgrading of standards, production processes and strengthening of standards-institutions in developing countries before the signing and ratification of trade agreements can help developing countries upgrade their standards to the level of those required by the G20 to the extent that they can be recognised as equivalent. Mutual recognition of standards might be a feasible option for some developing countries particularly if they already have a high level of initial standards.





## CONCLUSION

In conclusion, while gender equality is at the heart of many development cooperations of the G20 with development countries, the impact of these cooperations might be watered down due to discriminatory laws and regulations in many developing countries. The commitment to gender equality and women empowerment is important given their effects on stimulating economic growth and human capital development. This is so because women's control of economic resources increases the share of household budget allocated to children's health and education expenses. Thus, the aforementioned policy proposals could facilitate the G20's strengthening development cooperation with developing countries, particularly those with high and persistent entrenched gender norms that significantly disadvantage women. Such policy options can help bolster trade policy measures and remove gender-specific obstacles inhibiting women's ability to respond to employment opportunities and benefit from trade.



## NOTES

<sup>1</sup>Food safety standards are trade policy measures aimed at protecting the consumers by ensuring the safety of food, animal and plants and the environment.

<sup>2</sup>This arises from the fact that they are usually occupationally segregated into work-activities that give them little or no opportunity for skill enhancement, and many employers have a strong preference to train men (Kabeer 2012).

<sup>3</sup>An example is the integration of social issues in trade agreements such as the inclusion of clauses or chapters in trade agreements with provisions for promoting gender equality and decent work so as to ensure that women are empowered, but this is currently applied to only a small number of developing countries.

<sup>4</sup>Harmonisation implies that exporting countries comply with the same set of standards, and incur a single fixed cost to access multiple foreign markets in the harmonisation zone. This promotes economies of scale and increased export market penetration (Chen and Mattoo, 2004).



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