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Trade Agreements, Equality and Gender

Reciprocity

The principle of reciprocity marks a paradigm shift in trade relations between developed and developing countries. It asks for trade liberalization, equal rules and harmonization of tariffs irrespective of different levels of development, and irrespective of asymmetric power and trade relations. The underlying assumption is that reciprocal trade rules will level the playing field and make trade partners “equal” competitors in the markets.

Reciprocity means the end to special and differential treatment of developing countries, and to preferential access for products from developing to developed countries (with the exception of LDCs). Demanding reciprocal trade liberalisation and forging equal trade rules between unequal trade partners disregards the existing economic disparities, special development needs and requirements, and the asymmetry which prevails in many sectors and areas. Mechanisms like reciprocity and harmonisation of tariffs and regulations among unequal partners tend to privilege the stronger parties, countries and companies, and disadvantage the weak actors on the markets. The principle of reciprocity implies that positive discrimination of vulnerable groups and preferences for weak sectors are considered to be trade distorting

Therefore I see the principle of reciprocity between unequal trade partners as an anti-development principle and an impediment to fair trade and just distribution of wealth. Nobel laureate Joseph Stiglitz and Andrew Charlton insist that fair trade requires a rule-based system of progressive preferential market access given by stronger countries to comparatively weaker countries. Only such a differentiated system of preferential provisions could close the development gap between stronger and weaker countries.

Key gender related issues in EPAs

The main issue in the EPAs which affects women in the ACP countries is agriculture. The EPAs push for liberalisation and elimination of protective policies, and show little concern for small-scale farming and farmers markets which in many countries of the region are women-dominated. Trade liberalisation favours the development of large-scale commercial, input-intensive, land-extensive, export-oriented farming. The double fold purpose is 1) the integration of African agriculture and resources in the so-called global “high value” chains and 2) the further opening of African markets for imports of food crops from the EU.

Though allowing exemptions for some “sensitive” products, safeguards are weak and can’t protect small-scale farming from the massive influx and competition of EU imports. They will undermine the conventional African

system of subsistence farming system and the livelihood of the small farmers which is based on biodiversity, indigenous knowledge systems and exchange of local seeds by women. Small farmers and petty traders of farm products like poultry are outcompeted. When it comes to export, the SPS become new non-tariff barriers in their access to the EU market because small producers find it more difficult to meet those standards than large exporters.

The neoclassical assumption is that those who get crowded out from uncompetitive sectors should shift to sectors where the country has a competitive advantage. In case of women crowded out from agriculture or petty trading it is generally assumed that they could move to labour intensive manufacturing such as textile production or agro-industries. However, in sub-Saharan Africa export-oriented industries are hardly existing and employment in large-scale farming is limited.

Contract farming attempts to integrate small farmers and their fertile plots into the global market by switching their production for local consumption to export products which land up in EU supermarkets, and to agro-fuels. However, the contract makes them not only depend from commercial seeds and industrial inputs but also makes their food security depend from the prices at the world market because they have to buy their staple food now in the market. The present food crisis and inflation of food prices show that liberalisation of the agricultural sector pose a threat to food security of the poor as it makes food crops an issue of speculation on the world market.

Additionally, the identification of sensitive products, the introduction of TRIPS, SPS and rules of origin in agriculture are highly gendered issues which pose a threat to small female farmers' livelihood and their value chains in agricultural production, food processing and in local and regional trading.

Gender inequities to be addressed by governments

Governments should consult associations of small-scale farmers, informal workers and petty traders and women's organisations while negotiating trade agreements. Gender benchmarks should be introduced in the identification of a negative list of products and sectors to be exempted from liberalisation and given preferential provisions. They should be set up in consultation with those organisations.

Protection of vulnerable groups and safeguard measures for weak economic sectors, positive discrimination and training for women are needed in order to strengthen domestic markets and industries, and protect the livelihood of the poor. It is not sufficient to cushion up the adverse effects of trade liberalisation ex post when women farmers and producers lost their livelihood, new social disparities and new poverty emerge. Trade rules must be designed in a way that they don't favour big companies only but complement policies of social and human development and fair distribution.

Protection of domestic markets, promotion of pro-poor growth and anti-poverty programmes should go along with domestic policies of positive discrimination of disadvantaged women in terms of access to productive resources including land, to non-precarious employment, equality in wages, in social security and in access to public services. As long as inequalities persist positive discrimination and preferential measures are necessary to balance gender, class/caste and trade relations.

Government have to make sure that the decrease in revenues due to tariff reduction does not lead to shrinking public services and basic social provisions in common interest. Public services have to address the special needs of disadvantaged women e.g. elderly and women headed households. Affirmative action must aim at the empowerment of women in terms of bargaining power in the markets, in the households as well as in politics.

Providing women with more (most of the time precarious and unsustainable) jobs in export production, better career, investment and entrepreneurial chances and more credit facilities can not be one and only solution to unfair distribution, social inequality and new forms of poverty systemically produced by trade liberalisation. These effects have to be taken into account by governments from the very beginning and have to influence the shaping of the FTAs ex ante.

Critical challenges of gender mainstreaming in trade agreements

In its upcoming bilateral FTAs, the EU clusters all social – including gender - and environmental concerns in a chapter on sustainability which is proposed to be included in the FTAs as a last chapter like an appendix to the trade related sectoral chapters. The discussion of the obligatory *Sustainability Impact Assessment* is the only opportunity opened to civil society organisation to make an input into the negotiations that are held behind closed doors.

As trade relations and trade liberalisation are not gender neutral, the understanding of gender mainstreaming is that trade rules should be gender sensitised and each sector must reflect specific trade-gender-linkages. This should include the gender segmentation of markets, employment, wage, the formal- informal-division, the implications for state revenues and fiscal policies, the impact on prices of food, consumer goods, and supply of basic provisions such as water and energy supply to private households, and the gendered access to public services. Gender issues can not be confined to the sustainability chapter in the FTAs as they can not be confined to one political department or ministry. Interministerial co-ordination and intersectoral linkages are a precondition for gender mainstreaming.

The first objective of gender advocacy is a demystification of the seemingly gender neutrality of trade liberalisation and a highlighting of the hidden costs, and adverse effects. What is most needed presently in order to create awareness amongst policy makers and in the public:

- Gendered value chain analysis
- Factoring of development objectives and gender indicators into the trade impact assessment & into the sustainability impact assessment
- Identification of a pro-poor and gender-aware list of sensitive products
- Expose incoherence between development goals such as women's economic empowerment and trade policies.

Divergence between gender advocacy groups in the North and the South?

With regard to the new generation of bilateral FTAs of the EU some controversial debate arose about the inclusion of a chapter on sustainability including core labour standards and a reference to decent labour. While e.g. trade unions from the ASEAN region join EU trade unionist in supporting the inclusion of social standards into the FTAs, trade unions and NGOs from India strongly oppose the inclusion. Women's organisations stress the fact that the concept of decent work and labour standards does not cover informal labour. They consider the inclusion of labour standards as protectionism and interference in domestic issues, and not helpful to their struggle for women's empowerment and rights. EU based women's networks stress the challenge to make human and labour rights guiding principles for trade rules and relations instead of excluding them from trade policies and referring them to social policy departments and domestic policies. This perpetuates the compartmentalisation of policies and is detrimental to development objectives, poverty elimination and cross-cutting social, justice and equity concerns.