



International Forum on Women and Trade

Key messages*

Brussels, 20 June 2017

General

A combination of factors bring trade and gender debate into the forefront: political leadership created a perfect political storm, more women in powerful positions and increasing accumulated knowledge of the issue. It's been stated unequivocally that trade is instrumental in empowering women and supporting communities while women's fully-fledged participation in the economy is essential for growth ("Women are the new emerging economy"). Studies show that empowering women could add a quarter to world's GDP.

Helping women is essential as much from economic as *social and poverty eradication perspectives* due to their role in families and communities.

The importance of *SMEs* as a backbone of every big and small economy also calls for more attention to the gender dimension as *SMEs* are more likely to be owned and operated by, and employ, women. Women participation in tradable sectors is relatively low and should be encouraged as it ensures better paid jobs while helping the companies to perform better.

While trade policy has an important role to play, it cannot be expected to shoulder the goal of women's economic empowerment on its own. Biggest barriers for women participation are of legal-regulatory, financial and even cultural nature. *Synergy between different policies, domestic and external*, is crucial: such issues as property rights, access to finance, education and vocational training, corporate behaviour, government procurement, digital gap, cultural bias will need to be addressed through domestic economic and social policies, technical assistance, including Aid for Trade, etc. Thus, intervention at *national level* is key as is the engagement and partnership with the *private sector* (employers, big corporations but also universities etc.) and the *civil society*.

Besides policy, *networking* initiatives like "SheTrades" - ITC flagship programme connecting women to markets – are an important tool in getting women to tap into international trade in practice. Also, making sure women are part of the decision-making (sit on the boards) is an important first step.

While the importance of empowering women is well understood, the impact of trade policy on women, the reasons for slow progress in including women into trade and the types of barriers they face are not sufficiently documented. *More data* is needed as well as *better methodology* to analyse this data in order to help the policy makers and private actors to tailor appropriate measures to ensure economic gender equality and fully tap into women's trading potential.

* The Forum was co-organised by the European Commission and the International Trade Centre. This informal summary has been prepared by DG Trade which solely bears the responsibility of its content.

Breakout Session 1: Evidence driven solutions

The World Bank is devoting a lot of resources to data sourcing as this has to be the starting point of policy. Since 2016, each of WB's 14 working areas has a gender strategy. Empirical evidence is still grossly inadequate – sketchy, not global. Gaps in knowledge make it hard to formulate solutions. Without an evidence base, policy has no meaning. Economic analysis tools are often inadequate for measuring gender effects. Knowledge of cultures, social anthropology is also needed. Solutions need to be gender informed: even gender neutral policies may have a gender bias. Policy responses need to be detailed and country and sector specific. Just beginning the journey but already starting to see results e.g. diagnostic study of trade in Tanzania – first time such a WB study has been gender-informed and recommendations are gender-sensitive.

UNCTAD set up its programme on gender and development 7 years ago: (i) has done studies on impact of trade on women; (ii) flagship product: a teaching packet on trade and gender, an online course with participants from 19 countries at the moment; (iii) created the status of Gender Champions – began in Geneva, now spread to NYC and elsewhere. Champions must do something good for gender within a year. It cannot be concluded in general whether trade liberalisation has been good or bad for women – depends on many factors: women as producers or consumers, women-producers direct access to buyers, technological advancement, etc. UNCTAD will launch Trade and Gender Toolbox in July which will (i) allow countries to assess impact of trade policies on women ahead of their implementation, and (ii) enable policy makers to see if flanking measures are needed. In addition, trade policy needs to be accompanied by other policies: education, industrial policies and other.

OECD, like others, is on a learning curve on gender issues in terms of impact of trade and trade agreements. The current data doesn't show women or their issues, it doesn't show who is trading. Firm level data can help, e.g. if firm is female owned and/or managed. Combining different data sets can bring out the information needed. In trade in global value chains services are very important which is big potential for women. Trade agreements could be used to push a progressive agenda that help women: e.g., getting countries to implement relevant international agreements, or their own laws.

European Parliament wants gender issues to be taken into account throughout the whole policy process for trade agreements and include a gender chapter. The act that men and women are affected differently needs to be accounted for.

Session 2: Opening markets for women to trade

In developing countries 40% of annual GDP is spent on public procurement but only 1% is with women suppliers. G20 has a very neutral approach to finance which is not sufficient. W20 has issued practical recommendations to G20 to bring more women to level market but the pace of the change is too low. A proactive approach is needed and it is important to work at country level so that governments implement policies which eliminate barriers to the entry of newcomers and promote women participation. For example, Ukrainian "She exports program" by the export promotion office offers education and participation in trade missions abroad.

The WTO GP agreement is silent with respect to gender issues, which leaves space to developing positive initiatives: e.g., increased transparency in government procurement and elimination of barriers to new entrants. Furthermore, e-procurement tools have the potential to accumulate data on who is bidding and inform entrepreneurs (especially woman who are new to this area) about procurement opportunities. In terms of data collection, the definition of a "woman's company" remains unclear: is it in terms of ownership, leadership, presence in the management board? ITC is working with ISO on a definition.

Meanwhile, a lot of multinationals are spending money on initiatives to include women in global value chains and to trade through corporate procurement. For example, Accenture has a Supplier Diversity Programme where they try to find diverse suppliers to include women business. It would be useful if companies include information about gender in their annual reports. Accenture has introduced "scoring" on a company's diversity. Another contribution is training programmes and preferential payment terms for SMEs if they are diverse.

Breakout Session 3: Financing for growth

Many barriers may prevent women from getting finance:

- Prejudice: financiers may have a (male) stereotype of a business owner; or place a risk premium on female entrepreneurs;
- Legal restrictions: land ownership, inheritance etc;
- Education or awareness of financial products and how to get them;
- Financial products insufficiently adapted to different needs;
- Lack of confidence; or being uneasy with working in predominantly male environment.

Possible solutions include:

- Better statistics on gender balance leads to better awareness – if intermediaries are asked to supply the gender data, they pay more attention to female participation.
- Networking / role models - encouraging women into supply side which is more likely to invest in women-owned business. Support the supply side.
- Support the demand side: set up knowledge labs to train those applying for venture capital.
- Train bankers: e.g. to understand value chains in women-led sectors.
- Tailor financial products to be adaptable to different needs or situations e.g. forms of collateral. Women not always looking to set up next global giant; just a business to support their family.
- Need for further innovation in finance, and new players - recognising needs of African and needs of women.
- Not creating “women’s loans” but mainstreaming gender dimension into all sectors of finance should be preferred.

Breakout Session 4: Addressing supply side constraints

DEVCO explained the context for the recent redefinition of the EU development policy:

- strong driving force in negotiating SDGs;
- new European consensus on development: binding for Member States, put gender forward – highest priority declared by Commissioner Mimica;
- 2nd gender action plan applying to EU and Member State;
- new strategy for engagement with private sector – gender angle;
- aid for trade strategy being revised with right emphasis on gender.

The following recommendations were put forward:

- To use high level dialogues, notably of the EU, with developing countries to address gender issues and call for reforming domestic laws that restrict women access to formal economy, i.e. introducing a form of conditionality on gender in dialogues (suggested by EU DEVCO DDG).
- To involve women in the implementation and monitoring of national strategies/policies.
- To provide more access to capital and finance to women, notably from traditional banking sources, government to increase public funding in women projects (example of World Bank).
- To consider the creation of female entrepreneur visa – building on practices in Israel/APEC for business people/entrepreneur.
- To introduce de-risking mechanism in policies to promote human rights compliance (e.g., EU garment initiative).
- To tailor training for women, like in EU programmes, with positive discrimination.
- To challenge social norms especially where women are prevented from working in certain sectors.
- To introduce the women perspective in the democratic debate on trade backlash (women as winners and losers).

Plenary: The Digital Economy

The global economy is going digital: information, goods and services traverse traditional political boundaries easily and freely. Cross border data flow increased 45 times over the last ten years bringing 2.8 trillion additional to the world GDP. Worldwide cross border online trade increased 18 times from 2005 to 2012 and is scheduled -to increase 8 times going to 2025. Technology is an enabler, providing solutions in multiple areas, transforming our lives and our economies (including what and how we trade). Digital nomads don't have barriers – the digital economy relies on future-proof & innovation friendly policies. That means that digital activities move away from Europe if the regulatory environment becomes too constrained.

Participation in the digital trade economy: whilst digital is reshaping all sectors and 90% of jobs include IT skills to various degrees, only 9% of developers are women; only 19% head companies in ICT are women (versus 45% for other sectors); when women take part in online trade they do so as wage earners not as self-employed. As to the skills that matter to the digital economy, only 6.7% of science, technology, engineering & math (STEM) graduates are women; and women have 40% lower familiarity with digital skills when it comes to e-commerce. On the other hand, taking the consumer perspective, women make up to 58% of all online purchases and are responsible for 87% of all consumer purchases.

The growing digital gender gap (DGG): in 2015 UN members shared the target of universal and affordable access to the internet by 2020. Yet, in 2017 there are still 4 billion people who do not have access. Within those that are not connected, there is a 30% gap between women and men in terms of digital participation in the poorest countries. Inequality in online access creates distortion in terms of market access and participation. The first wave of digitalisation affected old manufacturing jobs, the second wave replaces services and will have an even bigger effect on women.

Key take away actions/ideas:

- Digital competencies and overall digital education from early on in schools and also later on is crucial. Digital literacy needs to be compulsory, otherwise only boys will choose the subject. We need to break down male / female stereotypes. E.g., "Girls for coding": an initiative that encourages girls to learn to code.
- Role models are important from early on with education (mind-sets) as well as in the working environment to inspire girls to take up technology;
- Increase awareness on digital as a strategy for entrepreneurs;
- BlockChain will reshape markets and online supply chains / financial markets. BlockChain works as a digital ledger – it tracks, automates and logs transactions in a system of distributed trust – it enables disintermediation and it could disrupt the way global supply chains are working in the future, automating many steps of trade;
- Many initiatives exist to promote networking, mentoring, research, in general, break the digital gap. These initiatives need to be encouraged to work together to scale up and make real impact;
- Need better data with accurate monitoring and accountabilities;
- Address issues like on-line safety (key for women).