

Briefing Paper:
**Making
Post-Brexit
Trade
Gender-Sensitive**

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BFPG

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International trade benefits millions of people around the world every day. Consumers enjoy a greater choice of often cheaper goods. Producers have access to millions more people than within the confines of their domestic markets. While everyone can benefit from trade, the benefits and drawbacks of trade can be different for men and women.

Trade policy has conventionally been [gender-neutral rather than gender-sensitive](#); it does not recognise that there are different effects for men and women. In recent years there has been widespread international commitment to change this. For example, 118 World Trade Organisation member and observer countries endorsed the Joint Declaration on Trade and Women's Economic Empowerment in 2017. The [declaration](#) pledged that WTO members would work to make trade policies more gender-responsive. However, this international commitment has thus far been mainly rhetorical, as almost all trade agreements continue to be gender-blind.

This brief uses the term 'women', but the issues discussed are relevant for and would be aimed to help all vulnerable groups, such as those with disabilities or non-binary people. Furthermore, it must be noted the effects of trade and policies for women are also heavily influenced by other inseparable factors such as an individual's race and class.

Why a 'Global Britain' should care

In 2015, UN members adopted the [2030 Agenda for Sustainable Development](#) which 'provides a shared blueprint for peace and prosperity for people and the planet'. Sustainable Development Goal (SDG) 5 pledges to 'achieve gender equality and empower all women and girls'. Through rhetoric and actions such as completing the [Voluntary National Review](#) of progress, the UK government has restated their pledge to the SDGs since 2015. The government has also attempted to show their commitment to gender equality more broadly in a variety of ways in recent years.

For example, in 2017 Joanna Roper was [announced](#) as the UK's first Special Envoy for Gender Equality or Minister for Women and Equalities Penny Mordaunt's [announcement](#) of a £500,000 fund to help marginalised women return to work in February 2019. On trade specifically; the government's [Export Strategy policy paper](#) launched by the Department for International Trade (DIT) in 2018 mentions that 'greater participation by women in the UK economy is a great opportunity'.

However, when it comes to proving its commitment to SDG5 and female economic empowerment, the progress made by the UK around actual economic policy and structural changes is limited.

Since last summer, the UK government have laid out their vision of a '[Global Britain](#)' that takes a leading role in seizing opportunities and responding to global challenges. Provided the UK leaves the EU with an arrangement that allows for third-party trade agreements, the UK should demonstrate its commitment to global leadership and economic prosperity for all groups by incorporating a feminist perspective into future trade policy.

How does trade affect men and women differently?

Female employment and entrepreneurship

International trade often changes the [structure of production of a country](#). While some parts of the economy may see growth due to increasing exports, other sectors may shrink due to increasing competition. This has historically led to a disproportionate impact on women, who are more likely to rely on part-time or informal employment. Women in manufacturing are also traditionally clustered in certain industries. This means trade liberalisation [can be very helpful](#) in improving economic conditions for women (particularly in developing countries) but also that women can be particularly vulnerable when there are structural changes following the opening up of an economy.

Barriers to female entrepreneurship are another feature of the current trading order that can lead to different trade experiences for men and women. Free trade allows business owners to interact and compete with international markets. Yet a [Treasury](#)

[commissioned report](#) from this year that describes the UK as the ‘start-up capital of Europe’ noted that for every ten male entrepreneurs, there are fewer than five female. This is a problem at every level of entrepreneurship, for example from the top-down; only 13% of senior people on UK investment teams are women. This allows for the perseverance of a culture where men are more likely to pursue entrepreneurship and thus reap the benefits of an open international trading order.

Diminished government revenue and reduced public services

Free trade can lead to diminished government revenue, for example through the abolishment of tariffs. Less public money can lead to a [reduction in public services](#) (or in some cases the privatisation of public services) such as social security safety nets or the provision of health services. Reductions in public services have the largest impact on the poorest households in the UK, a group that sees overrepresentation by female-headed and particularly [black and minority ethnic households](#). Additionally, cuts to health or education services also mean that women are likely to spend more time on care work and less on work that is economically valued in our society. In this way, trade impacts government revenue which, through the provision of public services, can lead to different effects for men and women.

Missing data

While there has been academic and international acknowledgement of the unequal effects of trade, historically there has been limited data demonstrating this. Economic data has not traditionally been disaggregated by groups such as gender, socioeconomic status and other relevant indicators e.g. number of dependents, so it is harder to accurately demonstrate how trade impacts a specific group. Further, the existing data on the gendered effects of trade tend to show effects [on employment alone](#), not including effects of trade on consumption patterns, the provision of services or unpaid labour/care. This lack of data is a barrier to fully understanding the inequitable benefits of trade, as well as an obstacle to designing truly optimal future policies.

The 1995 UN Fourth World Conference on Women in Beijing was one of the first times the lacking data was

addressed internationally. One of the Conference’s strategic objectives was for the generation and dissemination of gender-disaggregated data to assist planning and evaluation of policy. There have been improvements in recent decades to improve the quality of gender disaggregated data, for example [within the EU](#), however this progress has been slow and uneven. The first step toward a more equitable trade policy would be a greater government commitment to improving sex-disaggregated data on trade.

That the data on the gendered effects of trade is so limited is demonstrative of how gender-sensitive and feminist approaches have traditionally occupied the fringes of economics and policymaking, particularly before the turn of the century. However – considering factors such as trade’s effect on public services, employment and the environment for entrepreneurship – it is still possible to understand how trade can have different benefits for men and women even though data collection needs improvement.

Women and trade post-Brexit: a blurry future

The current state political and economic uncertainty means that the impact of Brexit on government revenue, public services, and the entire UK economy is far from confirmed. Depending on the nature of the future economic arrangement between the UK and the EU, the UK may be re-evaluating its trading relations with much of the world in the coming years. For a trade policy that produces more equitable results for the general public both here and in the economies of trading partners, the UK government should take a proactive approach to establishing a gender-sensitive trade policy that would benefit all groups in the UK economy.

It is worth noting that a gender-sensitive trade policy would not harm those who benefit from the current trading order. It has been noted many times in recent years (e.g. [McKinsey & Company study](#)) that the UK and global economy would benefit if women were more engaged in it; a gender-sensitive trade policy would give more attention to the most vulnerable groups and help women harness the benefits of trade, but would be advantageous for all of the UK.

What could a gender-sensitive trade policy look like?

As the territory is relatively uncharted, there is scope for policymakers to be creative with making trade agreements more equitable. However, there are templates and tools which can provide guidance. The UN Conference on Trade and Development ([UNCTAD](#)) have identified **ex-ante gender-related assessments of trade measures** and **gender-related provisions in trade agreements** as policy tools to make trade more gender-sensitive.

Ex-ante gender-related evaluations

‘Ex-ante evaluations’ attempt to predict what will happen under a given trade policy before it is agreed; forecasting that is done during the negotiation period of a trade agreement. As ex-ante evaluations are carried out to analyse potential impacts for the entire population, an additional ‘gender-related’ ex-ante assessment could be carried out to consider potential impacts specifically for women and vulnerable groups. The aforementioned 2018 UK government Export [Strategy](#) states that DIT will conduct ‘gender-focused trade analysis to understand the barriers that women and women-owned businesses face’. DIT could perform ex-ante gender-related evaluations prior to

any post-Brexit trade agreement to put this rhetorical willingness in practice.

UNCTAD, with funding from the Swedish Government (the first government in the world to declare to have a [feminist foreign policy](#)), have developed a [Trade and Gender Toolbox](#) to provide a workable template for policymakers interested in developing a feminist trade policy. The toolbox provides an example of how policymakers could carry out ex-ante assessments using the example of the Kenyan economy in the now-stalled Economic Partnership Agreement between the East African Community (EAC) and the EU. In this assessment, the report uses a ‘computational general equilibrium model’ – which projects how an economy may react to shocks and changes. The assessment identifies the most important sectors for female employment and aims to analyse how women active in the Kenyan economy would be impacted by the agreement. It also provides a basic and straightforward checklist for gender-sensitive accompanying measures.

UNCTAD’s Trade and Gender Toolbox provides an example of a workable template for how policymakers could be more sensitive to gender during the trade negotiations.

Possible indicators for assessing the multifaceted gender-related consequences of trade policies			
	Dimension	Key issues	Indicators
Women as workers	Employment	Gender composition of labour force	Number of men and women employed, by sector and occupation Gender ratio, by sector and occupation
	Wages	Gender wage gap	Salary level, by sector, occupation and gender
	Working conditions	Proportion of permanent jobs Training Social coverage	Number or percentage of permanent jobs, by sector, occupation, gender and contract type Investment by firms in training, by sector, occupation and gender Number of workers with social coverage, by gender and type of coverage
Women as producers	Access to resources	Sufficient access for developing new export opportunities	Level of capital and land ownership, by sector, firm and gender of managers Level of access to financial services by sector, firm and gender of managers
Women as traders	Opportunities	Prices of traded products	Expected price variations of traded imported and local products
Women as consumers	Traded products	Women’s welfare	Expected price variations of women’s consumption baskets
	Public services	Provision of public services used by women	Expected variations in government revenue following trade reforms

Example of a simple indicator checklist for measuring gendered impacts of trade.
Source: [UNCTAD Policy Brief No. 51](#)
‘Implementing gender-aware ex ante evaluations to maximize the benefits of trade reforms for women’

Gender-related provisions in trade agreements

Conventionally when gender is mentioned in trade agreements, it is included in the preamble or is referenced as one of a group of issues (i.e. mentioned alongside development or human rights) rather than independently. Another policy tool to make trade more gender-sensitive is to include specific provisions in agreements dedicated to gender equality.

An encouraging indicator of progress is that gender-specific provisions have been included in a couple of recent trade agreements. The Chile-Uruguay Trade Agreement of 2016 was the first to include a specific chapter on gender. A similar chapter was included in the updated Canada-Chile Free Trade Agreement in 2017. In the ‘modernized’ agreement between Canada and Chile, the trade and gender chapter ‘[acknowledges the importance of applying gender perspective](#) to economic and trade issues’. It also commits both parties to the creation of a trade and gender committee. The Canada-Chile agreement is the first time that gender provisions have been included in a [trade agreement of a G20 economy](#). While a British feminist trade policy would be innovative and trail-blazing, Canada’s recently proven commitment to gender-sensitive trade encouragingly demonstrates that this could eventually be a wider trend amongst like-minded allies.

However, the chapter is [not in the legally binding section](#) of the Canada-Chile agreement, so there is no legal repercussions or means for dispute settlement if the parties fail to acknowledge their responsibilities. The chapters also do not include any specific, measurable goals for gender equality. That being said, the inclusion of gender-specific provisions are encouraging and important for indicating that these states are treating gender equality as a serious and worthwhile issue in trade.

A post-Brexit opportunity

Improving the quality of sex-disaggregated data collection, ex-ante gender assessments of trade policies and specific gender provisions in trade agreements are clear, measurable ways to make an international trade policy more sensitive to the fact that not all groups in society reap the same benefits from trade. Measures like these could help identify the gaps in our trade policy and contribute toward a more beneficial trade policy for the UK.

The EU has a [strategy](#) for mainstreaming gender equality into all of its policies. Yet despite many European countries being at the forefront of many gender equality issues, the EU stops short of meaningfully including gender equality in a measurable way into its trade policy to date. There have been positive signs of some countries such as Canada and Chile moving toward gender-sensitive trade strategies although there is still room for a truly global leader on this issue.

If the UK has an opportunity to reimagine and reinvigorate its approach to global trade, it should be done with a gender-sensitive approach that encourages the economic empowerment of women and vulnerable groups and benefits the UK economy on the whole. The political timeline of the last few years has led to many calls that the UK is turning inwards and retreating, but the government and their ‘Global Britain’ strategy – as well as leading politicians on all sides – have insisted that the UK will be outward-facing and internationally engaged post-Brexit. A gender-sensitive trade policy would encourage the economic empowerment of women in the UK and abroad, and put the UK at the forefront of the global fight for gender equality.