

Trade Justice not Free Trade

As trade ministers meet in Hong Kong in December 2005, they must ensure that, in keeping with the Doha Development Agenda, the WTO prioritises issues of concern to developing countries. Even the World Bank now accepts that development cannot be achieved without gender equality: in order to address development issues, the WTO must also begin to address gender issues. Accountability mechanisms must be put in place to ensure that positions taken at the WTO are coherent with commitments to gender equality and women's empowerment under the Convention on the Elimination of all Forms of Discrimination against Women, the Beijing Platform for Action and the Millennium Development Goals.

At a more fundamental level, the mandate and mechanisms of the WTO must be revised to ensure the promotion of a just and equitable trade regime (Trade Matters).

Take action

Banúlacht is a member of Trade Matters, a coalition of development NGOs and Trade Unions which campaigns for fundamental changes to world trade rules so that trade will work for everyone.

1

Trade Matters and the Make Poverty History Campaign are looking for thousands of supporters to send a Christmas card with a difference to An Taoiseach. The card, which will be available freely nationwide, will call on government representatives to help to make trade rules fairer when they attend the World Trade Organisation meeting in December.

For information on where to get your card, check www.makepovertyhistory.ie or write to card@makepovertyhistory.ie.

2

A delegation of ministers and government officials, as well as other TDs and civil society organisations, will take part in the WTO ministerial meeting. Prior to this, as a result of lobbying by Trade Matters, a debate on the WTO will be held in the Dáil in the first week of December 2005. Banúlacht calls on women's organisations to write to the ministers and TDs and express your concerns about the WTO.



Development
Cooperation
Ireland

TRÓCAIRE
Working for a Just World

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Write to: Mary Coughlan TD, Minister for Agriculture and Food, Micheál Martin TD, Minister for Enterprise, Trade and Employment and Dermot Ahern TD, Minister for Foreign Affairs, and to your local politicians.

Sample letter

I am writing to express my concern that Ireland's commitments to human rights, gender equality and women's empowerment and labour standards may be undermined by agreements made at the upcoming WTO Ministerial Meeting in Hong Kong in December.

In March this year, the Irish government, along with other world governments, reaffirmed the Beijing Platform for Action, the UN agenda for action on women's human rights. Gender equality and the empowerment of women are also key aspects of other international human rights frameworks and of the Millennium Declaration and the Millennium Development Goals.

I urge you to ensure that:

No agreements are made at the WTO that contravene the principles and frameworks for action of the Beijing Platform for Action (BPfA). The Irish government works with its partners in Europe to ensure that WTO policy does not undermine the freedom of countries of the South to determine policies to implement the BPfA.

I look forward to receiving your response on these issues.

Yours sincerely

Useful websites

CAFRA Caribbean Association for Feminist Research and Action www.cafra.org

International Gender and Trade Network
www.igttn.org

Trade Justice Ireland
www.tradejusticeireland.ie

Make Poverty History Irish Campaign
www.makepovertyhistory.ie

WEDO Women's Environment and Development Organisation
www.wedo.org

WIDE Women in Development Europe
www.wide-network.org

WICEJ Women's International Coalition for Economic Justice
www.wicej.org

Third World Network
www.twinside.org.sg/www.twnafrica.org

Banúlacht Gender and Development

November 2005

World Trade Organisation

Gender and Trade

2005 has presented women's organisation, other NGOs and activist groups with a number of key opportunities to highlight international agreements on women's human rights, make connections between women's activism in Ireland and the South, and challenge governments on their implementation of commitments to gender equality and women's empowerment.

The 10-year review of the Beijing Platform for Action was held at the UN in March. 170 world leaders gathered at the UN in September, for a World Summit to review the Millennium Development Goals. The Sixth Ministerial Meeting of the World Trade Organisation (WTO) will be held in Hong Kong in December.

Of all of these international fora, it is the WTO meeting that will arguably have the greatest impact on the lives and livelihoods of women in the South. Yet gender equality and gender empowerment will not be on the WTO's agenda in Hong Kong. Although the members of the WTO are also members of the UN, and subject to international human rights law, and although most have signed up to the Beijing Platform for Action, the WTO is not part of the 'UN family' and is not in itself subject to UN agreements.

Gender equality and the empowerment of women are central to sustainable development. If the world's leaders are serious about development, they cannot allow trade negotiations at the WTO to ignore gender issues. Along with the other members of Trade Matters (see page 4), Banúlacht argues that trade policy must be coherent with human rights law and principles of sustainable development, and that the WTO must become more transparent and accountable.

This briefing paper is part of Banúlacht's development education work, which aims to foster critical debate on gender, development and human rights issues. The paper highlights the connections between gender in the context of the Beijing Platform for Action and trade policy in the context of the WTO

Trade and WTO?

Protective measures in the food and textile trade by powerful countries costs developing countries an estimated \$700 billion – 14 times what they receive in aid!

At the ministerial meeting of the WTO in 2001 at Doha, Qatar, trade ministers launched what was called a 'Development Round' of trade negotiations, with the stated objective addressing the concerns of the countries of the South. The outcome of that meeting is known as the Doha Development Agenda; it allows for 'Special and Differential Treatment' for countries of the South.

The World Trade Organisation (WTO) is a global international organisation dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations.

Trade rules apply to almost all the areas where money is exchanged: goods (e.g. rice, cotton), services (health and education), patents (e.g. HIV drugs and seeds). The broad aim of the WTO is to reduce or abolish international trade barriers. Under WTO rules governments must 'open' national economies to producers and manufacturers and, increasingly services, from other countries.

There are currently 148 members of the WTO. The WTO headquarters is in Geneva. Every two years the organisation convenes a major summit called a ministerial meeting. In 2005, this will be held in Hong Kong.

Double Standards

In theory, all member countries of the WTO have an equal voice and the poor countries can outvote the rich ones. In practice, ministerial meetings have been characterised by a lack of transparency and of democratic procedure, and the countries of the South do not have an equal voice with the industrialised countries. International trade rules favour the most powerful countries and their corporations. These rules allow rich countries to pay their farmers and companies subsidies to export food to countries of the South below the cost of production in these countries, thereby destroying the livelihoods of poor farmers in the South. In spite of countries' commitments at the UN, when it comes to trade negotiations, poverty eradication, gender equality, human rights and environmental protection come a poor second to the goal of eliminating trade barriers (Trade Matters). Although the WTO website claims that trade agreements are ratified by national parliaments, this does not tend to be the practice in many countries, including Ireland.

Trade, development and human rights

A gender perspective

Ten years after the creation of the WTO, there is mounting evidence that free trade and free markets have not brought about the promised benefits to all WTO member countries. There is an increased awareness that the relationship between trade, economic growth and development is more complex than the promoters of the free trade agenda assert. There is still little awareness of the fact that within each country, the free trade agenda – the so-called trade liberalization agenda – has different impacts on men and women.

Studies of the global economy show that global trade relies increasingly on women's labour, and that growth in world trade over the last decade has resulted for a large part from "the employment of large numbers of women in the low-value chains of global production networks" (Standing 1989, Joekes 1995, United Nations 1999). In other words, women's cheap labor has been the stepping stone for the development of the industrial sector for exports. This is true not only in the export processing zones (EPZs) in Newly Industrialised Economies such as Taiwan, Hong Kong, South Korea and Singapore where women form the majority of the labour force, but also in the many developing countries that seek to increase their share of world trade. Many studies have documented the containment of women in low paid and low skilled jobs, and the gap between women's and men's wages. Women's participation in manufacturing is also declining as a result of changes in production processes. This implies paradoxically that, gains made in women's employment are being lost as the exports sectors expand, despite women's crucial contribution to such expansion.

This problem with the exploitation of women's labour in global trade, and in the formal economy generally, is compounded by the persistent neglect of women's unpaid and uncounted work in trade statistics and policies. There is no recognition that this work is the lifeblood of the economy and that the production of goods and services for global trade is directly dependent on women's free labour for ensuring social reproduction without which economies cannot function. 10 years after the adoption of the Beijing Platform for Action, and five years after the Millennium Declaration, which both expressed the global commitment to ensure gender equality and women's empowerment, there is ample evidence that the implementation of commitments to realize women's rights has been and continues to be unacceptably slow at international and national levels.

In the face of this erosion of women's rights as workers and citizens, there is an urgent need for a normative framework for the major principles that must guide trade policies at both national and international level. Human rights norms and standards are needed to address gender discrimination in and through trade. These norms and standards will provide a legal check to trade rules and policies and will establish a balance between the obligations of States towards their citizens under human rights treaties with their obligations under the WTO regime and the international trade system.

If trade policies must conform to a human rights framework, then they can be driven by the recognition that people have not only needs that should be met, but also and above all rights, i.e. entitlements that entail legal obligations on the part of States and other relevant actors, and that rights must be respected because they are legally binding. Using a human rights framework implies that concerns for human rights must be balanced with concerns for compliance with other legally binding agreements, such as trade agreements, debt repayment and other economic processes that impact on the rights of citizens.

A human rights framework for international trade also requires the protection, promotion and realization of the right to development. Addressing the imbalances against poor countries and the structural inequities in the international trading system are thus pre-conditions for ending the exploitation of poor women's labour. In this regard, European women must demonstrate their solidarity with small women producers in poor countries by demanding better terms of trade for their products, respect for their policies as well as food sovereignty, and the immediate elimination of subsidies for European agricultural exports to these countries.

Main article by Zo Randriamaro. Zo is a human rights and gender activist from Madagascar. She has served as an expert within several international development organisations and with the United Nations. She is a member of the Board of WEDO, Women's Environment and Development Organisation.

Case Studies

The WTO is the international rule-making body but it is not the only influence on trade policy. The International Monetary Fund (IMF) and the World Bank and other international aid donors also have a role in determining trade policy.

The main role of the World Bank is to make loans or guarantee credit to its 184 member countries. These loans finance infrastructure projects, such as roads and power plants. In addition the Bank makes loans to restructure a country's economy by funding structural adjustment programmes (SAPs). The main business of the IMF is to make loans to 'developing' and transition countries in financial crisis.

The relationship between trade and development is complex. The World Bank, IMF and some donor countries and organisations attach conditions to aid, loans and debt cancellation that can require poor countries to adopt certain trade policies as well as policies of deregulation, cuts in public spending and privatisation. Often these conditionalities force countries to go far beyond what they have negotiated at the WTO, and undermine their capacity to use public spending policies to promote poverty reduction and gender equality strategies (Make Poverty History). The interactions between these different processes have complex and sometimes contradictory effects on gender roles, gender equality and women's empowerment, as the following case studies illustrate.

1

Liberalization in the public sector

The EU requires the opening of the markets of other countries in the area of basic services (water and energy supply, telecommunication, transport, health and education systems) to transnational corporations. If the individual WTO members - among them many developing countries - comply with these requests, there is a risk that governments will be forced to reduce their budgets for social expenditure and will transfer the responsibility for the supply of basic services to private investors. The experiences of structural adjustment programmes (SAPs) in the 1980s showed that women suffer disproportionately from cuts in social budgets. In many cases the investments promised by the companies - for example in water supply systems - were not made. In fact, prices actually increased. Women heads of household were most severely affected as they could no longer afford these basic services and, as far as possible, had to furnish such services themselves. Thus the amount of unpaid labour (care work), work which is to a large extent supplied by women increased (Marianne Hochuli, Coordinator of the Swiss Development Organization "The Berne Declaration").

2

Women in the industrialised sphere

Though it is still true that the great majority of poor women's productive work is in the rural, informal sector or in home-based piece-rate work, it is also concentrated in the newly created industrialised sectors. Of the 27 million people who work in export processing zones (EPZs), 90% are women. Women workers are concentrated among the often statistically hidden millions working in low paid work in the manufacture of garments, shoes and toys and in the informal sector as homeworkers or as vendors in the informal sector. Beyond the benefits of additional income, paid work can substantially improve a woman's position in the household and strengthen her self esteem. Employment does not necessarily improve the well-being of the worker. It may simply create a double burden of paid and unpaid work, with outside employment occurring under very inferior conditions. Recurring retrenchment is a mark of female employment. Many EPZs employ young, unskilled or semi-skilled women, provide minimal training and undertake relatively frequent job-shedding. In Hong Kong, women who were recently swept into the manufacturing industry are now being made redundant at a faster rate than the men. In Mexico's long-established maquiladora assembly plants the rate of female employment has declined from 80% to 60%. A major concern for the future livelihoods and health of these women is that the rural areas cannot reabsorb them (Wendy Harcourt, Chair of Women In Development Europe).

3

Agriculture

In Jamaican agriculture, women accounted for more than half of all poultry workers in 1993 and 2001 (while they accounted for only between 20 and 24 percent of all agricultural workers). Women work as poultry farmers because there are few start-up costs and women traditionally have more difficulty gaining access to credit or loans to launch a farming venture. With contract or backyard poultry farming, the initial costs are low. Moreover, poultry farming is done in a shed or in one's backyard so it is something that women can do at home in combination with child-care and other household responsibilities. Under the WTO Agreement on Agriculture, Jamaica granted high levels of market access to imported agricultural products. Poultry producers had to contend with an influx of cheaper, imported poultry meat from the U.S. Anecdotal evidence suggests that nearly half of the 'backyard' farmers may have left the sector. Rural women, who are the majority of these 'backyard' producers, would be most affected by the trade policies (CAFRA and Women's Edge Coalition study, The Effects of Trade Liberalization on Jamaica's Poor: An Analysis of Agriculture and Services).