

Trade,
Gender
and
Poverty

Nilüfer Çağatay

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Social Development Group
Bureau for Development Policy
United Nations Development Programme
One UN Plaza, 20th floor
New York, NY 10017
<http://www.undp.org/bdp>

This is a background paper to the UNDP project on Trade and Sustainable Human Development. The responsibility for opinions in this paper rests solely with its author, and publication does not constitute an endorsement by the United Nations Development Programme or the institutions of the United Nations system.

Background papers are designed to generate discussion and feedback on issues of trade and sustainable human development for a series of consultations culminating in the UNDP Trade and Human Development Report in 2002.

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About the Author

Nilüfer Çağatay is Associate Professor of Economics and a faculty member of the Middle East Studies and Women's Studies Programs at the University of Utah. Her research has focused on gender and development; international trade theories; and on engendering macroeconomics and international trade theories and policies. Together with Diane Elson and Caren Grown, she is the editor of the November 1995 special issue of *World Development* on Gender, Adjustment and Macroeconomics and the July 2000 special issue of *World Development* on Growth, Trade, Finance and Gender Inequalities. Her work has been supported by the Ford and MacArthur Foundations. Between 1997 and 2000 she worked as Economic Adviser at UNDP's Social Development and Poverty Elimination Division. Nilüfer Çağatay is from Turkey. She received her BA in Economics and Political Science from Yale University and her MA and Ph.D. in Economics from Stanford University.

Preface

Events surrounding the WTO Ministerial meeting in Seattle in late 1999 became a kind of Rorschach test for how different constituencies view globalization—how different people and groups look at the same pictures but draw different meanings from them. Many developing country governments noted the asymmetry in the multilateral trading regime, which they viewed as dominated by a narrow agenda of a few industrialized countries, thereby marginalizing the genuine development concerns of the vast majority of the people. Civil society organizations (CSOs) from both the South and North, for their part, were equally upset that their constituencies' many concerns were once again excluded from the intergovernmental discussions and negotiations.

The breakdown in Seattle opened up the opportunity for a much-needed breathing space to discuss and debate the significance of trade for achieving the Millennium Development Goals (MDGs). The controversy surrounding the global trading system is not about whether trade is necessary, but about how the multilateral trade regime can operate in ways that support and foster human development.

As the dust settled on Seattle, we were convinced that given UNDP's vanguard role in advocating for human development and its 1999 Human Development Report on Globalization, our organization had a special responsibility to contribute to the trade debate. Our response was to conceptualize, design and implement a project, which came to be known as UNDP's Trade and Sustainable Human Development project.

The project was approved in June 2000 and has four main phases; first, the commissioning of several respected scholars and experts to write consultant papers on different aspects of trade and its global governance from a human development perspective; second, the convening of an advisory team of concerned and internationally respected government trade negotiators and diplomats, academics, civil society activists and senior UN colleagues to critically assess the consultant paper outlines and advise on the overall project strategy; third, the use of the draft papers as inputs into a series of consultations with both developing country governments and civil society organizations, both to obtain their feedback on them and understand their concerns more fully; and last but not least, drawing upon all of these and other inputs, to prepare a UNDP report tentatively entitled 'Trade and Sustainable Human Development.'

The UNDP project has had three interrelated objectives:

- To assist developing country governments and civil society organizations in ensuring that their countries can selectively and strategically seize the opportunities of global economic and trade integration for advancing national progress in human development and poverty eradication;
- To strengthen the participation and substantive negotiating and advocacy positions of developing countries in the debate and negotiations on the emerging global trading regime;
- To present a UNDP position on the human development outcomes of the current global trading regime and the reforms needed to make it more inclusive and balanced, thereby enabling trade to become an instrument for enhancing human development and reducing poverty.

While consultations continue and UNDP's report is under preparation, the three consultant papers commissioned as part of the project are being made available. Indeed, an important part of the commitment of the project was to publish, in their independent right, each of the papers. We believe that they deserve to be widely read and used to inform the current debate on trade and development.

This paper, by Dr. Nilüfer Çığatay of the University of Utah, provides a review of the theoretical and empirical literature on gender inequalities and international trade, paying special attention to the impact of trade liberalization policies on gendered patterns of employment and work conditions. It relates this discussion to the debates on the relationship between trade policy, income inequality and poverty. It also explores whether and how gender inequalities in earnings and employment conditions affect the international competitive position of an economy and whether competitive pressures under trade liberalization pose an obstacle to achieving gender equality in labour markets. The author concludes with some recommendations on the type of trade and public policies that can help reduce gender inequalities.

We hope the reader will find the paper informative and useful as a contribution to the ongoing debate on trade and development.



Eimi Watanabe
Assistant Administrator and Director
Bureau for Development Policy
UNDP
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Executive Summary

This paper focuses on the relationship of trade, on the one hand, with gender and poverty, on the other, within the context of the human development paradigm. Specifically, it examines the impact of trade liberalization on gender inequalities (primarily via employment, wages and the care economy); and the impact of gender inequality on trade performance. These interactions are discussed in light of mainstream literature on trade, growth and poverty reduction, which defines poverty in terms of income or consumption and largely ignores gender. The paper also considers the policy implications of a gender-aware approach to international trade analysis and the current world trade regime.

The principal conclusions that emerge from this analysis are:

- that men and women are affected differently by trade policies and performance, owing to their different locations and command over resources within the economy;
- that gender-based inequalities impact differently on trade policy outcomes, depending on the type of economy and sector, with the result that trade liberalization policies may not yield expected results;
- that gender analysis is essential to the formulation of trade policies that enhance rather than hinder gender equality and human development.

The system of rules and agreements that currently governs international trade is based on the widely accepted view that expanding global trade is beneficial to all countries and their citizens. This derives from mainstream trade theory, which holds that production specialization according to each nation's comparative advantage typically leads to a more efficient allocation of resources in the world economy and consequently to higher levels of output and growth in all countries. Growth in turn will promote national development and reduce poverty. Despite the recognition that trade liberalization creates both winners and losers within each country, it is held that there are net gains over all, allowing losers to be compensated through trade adjustment assistance or changes in taxation policies.

Debates on the multilateral trade system are occurring at a time when development itself is being reconceptualized. Measures of development based on market criteria (income or consumption) are being replaced by those based on human well-being, particularly of those often left out – poor people, racial and other minorities and women. This paper argues that trade must be similarly re-evaluated—going beyond the social *impact* of trade, based on growth and market access, to look at social *content*, that is, the social relations across and within nations (class, gender, race, etc.) that form the context in which trade policies are enacted.

As development is reconceptualized, a contradiction becomes apparent: on the one hand, there is widespread recognition that development is not limited to economic

efficiency and growth, but includes such things as well-being, equality, dignity, the right to realize one's human potential, and above all, freedom from poverty. On the other, there is even greater insistence on economic liberalization – specifically, that the best way to eliminate poverty is through improved efficiency and higher growth brought about through trade liberalization.

This insistence is based on a definition of poverty as absolute rather than relative and limited to income poverty only. Critics argue that the concept should be broadened to include possession or lack of assets, dignity, autonomy and time. They note that poverty should be viewed as a process, rather than a state of being, and those living in poverty should be seen as deploying whatever assets they possess in an effort to cope with poverty. Reconciling the concepts of absolute and relative poverty is the capabilities approach, which focuses not on income poverty but on *human poverty*—defined as the denial of opportunities and choices to live a most basic or tolerable human life. Common to all of these multidimensional analyses of poverty is the view that empowerment of poor people, particularly of poor women, is essential to its elimination.

Gender and Poverty

The concept of human poverty sheds light on the relationship between gender inequality and poverty, shifting the focus away from the household as a unit of analysis and onto the situation of each of its members. Women are more vulnerable to chronic poverty because of gender inequalities in the distribution of income, access to productive inputs such as credit, command over property or control over earned income, as well as gender biases in labour markets. Resource allocation is often gender-biased within households as well as in state and market institutions. It is often stated that labour is poor people's most abundant asset. But women do not always have full control over their own labour or the income they earn. Men may forbid their wives from working outside the household or extract labour from women through actual or threatened violence, making it harder for women to *transform* their capabilities into incomes or well-being.

While gender inequalities reproduce the poverty of families, communities and nations from one generation to the next, they also have an impact on growth performance and therefore have direct and indirect consequences on poverty and poverty reduction. Gender inequalities mediate the relationship between macroeconomic and trade policies, on the one hand, and the outcomes of these policies, on the other.

The Impact of Trade Liberalization on Gender Inequalities

Economists working on gender and development have been investigating the complex relationships between gender inequalities and trade liberalization for at least the last two decades. Recent studies show that export-orientation in developing countries develops in tandem with the increase in women's share of paid employment. In industrialized economies, by contrast, increased trade with developing countries has led to loss of women's employment in industries where they are over-represented, such as textiles, apparel and leather goods.

In addition, increases in female employment through export-oriented production seem to be more common in the manufacturing sector and in semi-industrialized

economies. By contrast, although research is sparse, case studies suggest that trade liberalization in predominantly agricultural economies may disadvantage women compared to men, even when traditional export crop production increases. In many sub-Saharan African countries, women are critical to food security, as they are typically small farmers or food crop producers. Trade reform tends to advantage large and medium producers, since small farmers, especially women, often lack access to credit, new technologies, marketing know-how and the like needed to take advantage of new markets.

Moreover, even in cases where household income increases with increased production for export, the well-being of women and children may not improve. If the increase in family income is accompanied by a decrease in food crop production because women's labour is mobilized for cash crop production, the family nutritional intake might suffer while women's work burden increases. The problem lies not only in unequal resource control within households, but in institutionalized gender biases in both the state and the market.

Can the association of trade liberalization with an increase in women's share of paid employment in the export sector be expected to lead to higher incomes and greater empowerment for women, especially poor women? There are a number of reasons to be sceptical. Most importantly, even in economies where trade liberalization is associated with an increase in women's share of paid employment, the sectoral reallocation of work creates both winners and losers— among women as well as between women and men. If job losses are concentrated in the informal sector, in small firms, and among low-skilled workers, while gains occur among skilled workers, poor women are likely to suffer disproportionately vis à vis less poor women as well as vis à vis men.

Secondly, increases in women's share of paid employment in the export sector brought about by sectoral reallocation may not be sustainable over time. If the principal cause of the increase is the substitution of female workers for male workers in this sector, it could be expected to be sustained, leading to wage equalization over time, albeit in a downward direction. If, however, as evidence seems to indicate, the increase occurs largely as a result of the expansion of sectors with predominantly female workers and a decline in sectors with predominantly male workers, it is unlikely to eliminate gender inequalities in wages and working conditions. It is significant that the increase in women's share of paid employment has taken place at a time when the power of workers generally has eroded, owing to increased capital mobility, greater flexibility due to technological innovation as well as labour market deregulation caused by the need to stay competitive in an era of intensified globalization and market liberalization.

Thus although trade liberalization may advantage women in terms of employment, their 'competitive advantage' as workers lies in their lower wages and inferior working conditions. Indeed, much of women's trade-related gains in employment have occurred in state promoted export processing zones (EPZs), which are exempt from local labour laws, and in the informal sector, where work is characterized by long hours, insecure employment, unhealthy conditions, low wages and often, sexual harassment.

Any assessment of the impact of trade liberalization on gender equality must look at its impact not only on women's paid employment opportunities, including wages and

working conditions but also on the unpaid care economy. Researchers have long observed that increases in women's labour force participation are not accompanied by a commensurate reduction in their unpaid domestic work, as men have been reluctant to pick up the slack. Two outcomes are widely observed: either the provision of care is squeezed, and/or women's leisure time is reduced. The 1999 *Human Development Report* ties intensification of international competition to a squeeze in the provision of care—both unpaid and paid care activities, which in turn jeopardizes human development.

In addition, trade liberalization takes place as part of a package of market deregulation, privatization and fiscal austerity. Many governments lack the administrative and fiscal capacity to mitigate the negative social consequences of economic liberalization. First, market liberalization itself hampers the capacity of governments to provide services and/or safety nets for the most vulnerable by reducing state revenues. Moreover, in order to attract foreign capital, governments have been compelled to give tax breaks, shifting the burden of taxation from capital to labour in the world economy.

When social services are cut, or user fees are charged, the impact falls primarily on poor people, the majority of whom are women. Women bear a double burden in that not only do they lose services such as education, health care, clean water, and so on, but also they must increase their hours of unpaid household and care labour in order to make up for the shortfall.

The point is not only that some women lose while others gain from trade expansion. Rather, as gender inequalities are multidimensional, even women who may gain in one dimension, such as employment, may lose in another, such as leisure time. On the one hand, paid employment can potentially give them greater control over income and increase their status and bargaining power within households or communities. Further, increased control over income is likely to increase women's own well-being and that of their children. At the same time, women become incorporated into the paid workforce as 'inferior' sellers of labour, reflecting both inter-class disadvantage vis-à-vis capital and intra-class disadvantage vis-à-vis male workers.

The Impact of Gender Inequalities on Trade Performance

Gender-based inequalities in control over resources such as land, credit and skills not only hinder women's ability to take advantage of new opportunities created by trade liberalization, but also constrain the output response and thus the export capacity of the whole economy. Gender inequalities in education, health and access to farm inputs often dampen output, productivity and growth rates, and thus hinder export performance, particularly in agricultural economies dominated by smallholders. Indeed, research has shown that gender-based inequality in households acts to constrain output capacity in sub-Saharan African economies.

In contrast, in some export-oriented semi-industrialized countries, gender inequalities in manufacturing wages have operated to stimulate investment and so lead to higher growth rates. While most dimensions of gender inequality (in education, health, training) constrain productivity and output and indirectly hinder trade performance, wage inequality seems to impact positively on growth in the context of global competition in industrial sectors.

However, while gender-based wage differences can create a competitive advantage for some semi-industrialized countries, if this strategy is adopted by all of these countries, it may result in a slow but steady deterioration in their terms of trade vis-à-vis industrialized countries. Manufactured exports from developing countries are more female-intensive than those from industrialized countries. Gender-based wage differentials can affect the determination of terms of trade in that 'low wages paid to women workers have allowed the final product prices to be lower than what they would otherwise have been without compromising the profit share' (Joeke 1999: 55). This points to another problem in achieving gender equity in wages via trade liberalization: the fact that women in different countries are concentrated in a relatively narrow range of occupations and compete with each other through trade. Trade and investment liberalization offers incentives to countries to repress women's wages to stay competitive and attract foreign investment, since firms can always find a country where wages are lower.

Moreover, the impact of gender inequalities on trade is not limited to wage differentials. Rather it embraces the entire range of inequalities previously discussed—including assets and credit, time and leisure, education and health care access—all of which affect the generation of the capabilities and skills needed for sustainable production - not only for the current workforce but for future generations.

Constraints on Gender-Sensitive Trade Policies

Although it is increasingly recognized that trade policies have gender-differentiated impacts and that gender inequalities affect trade performance, gender awareness is not a factor in the negotiation of trade agreements and policies. In addition to the ideological constraints, most of which derive from the insistence that expansion of markets and increased market incorporation of women and poor people translate into higher income and well-being, there are a number of institutional constraints.

First among these is governance: women and women's voices are largely absent in trade policy-making institutions, despite the numerous UN resolutions and agreements requiring gender mainstreaming in policies, programmes and institutions, including those relating to trade. Critiques by researchers and civil society organizations cannot result in more gender equitable trade policies without an institutional structure backed by political commitment and resources. At the global level, this requires a serious dialogue on the need for such a structure and how the WTO can be reformed to carry out some of the needed functions. In this regard, the gender mainstreaming provisions in both Mercosur and APEC provide some examples. At the national level, ministries of trade must strengthen their capacity for gender sensitivity and work more closely with ministries of women's affairs, which in turn must be upgraded in terms of resources, expertise and political status. While it is true that gender inequality will not be eliminated solely through more gender-aware trade policies, it is also true that an understanding of the relationship between gender inequality and trade policy can help policy-makers understand why the expected results from trade liberalization may not come about.

Trade, Gender, and Poverty

Introduction

This paper focuses on the relationship of trade, on the one hand, with gender and poverty, on the other, within the context of the human development paradigm. Specifically, it examines the impact of trade liberalization on gender inequalities (primarily via employment, wages and the care economy); and the impact of gender inequality on trade performance. These interactions are discussed in light of mainstream literature on trade, growth and poverty reduction, which defines poverty in terms of income or consumption and largely ignores gender. The paper also considers the policy implications of a gender-aware approach to international trade analysis and the current world trade regime.

The system of rules and agreements that currently governs international trade is based on the widely accepted view that expanding global trade is beneficial to all countries and their citizens. This derives from mainstream trade theory, which holds that production specialization according to each nation's comparative advantage typically leads to a more efficient allocation of resources in the world economy and consequently to higher levels of output and growth in all countries. Growth in turn will promote national development and reduce poverty. Despite the recognition that trade liberalization creates both winners and losers within each country, it is held that there are net gains over all, allowing losers to be compensated through trade adjustment assistance or changes in taxation policies.¹

Trade liberalization is part of a larger set of economic policies that focus on market liberalization and which have been a driving force of the current phase of globalization. However, while trade liberalization has occurred in developing countries as part of IMF conditionalities and resulting structural adjustment policies, in industrialized countries, it has occurred in the context of regional trade agreements or the World Trade Organization (WTO). This power differential has permitted industrialized countries to continue to protect the very markets that are critical to developing countries—such as agriculture, textiles, and the like (WTO 2001). Its continuation, reinforced by the lack of transparency and inclusiveness in the WTO negotiation process, was a major factor in the breakdown of WTO negotiations in Seattle in 1999.

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**It is important to
examine the impact of
trade liberalization on
gender inequalities and
the impact of gender
inequality on trade
performance.**

Discontent with the current world trade regime is also widespread among civil society organizations, which contest the presumed relationship between trade, growth and development, and demand greater participation in setting trade policies and agreements. Their critique is based on a human development paradigm, as exemplified in the work of Amartya Sen (1999), and holds that trade policy should be used as a means to eliminate poverty, gender and other social inequalities and to support environmental regeneration.² Their demands for scrutiny over social and environmental impacts of existing trade policy rules were another cause of the breakdown of trade negotiations in Seattle.

While governments of the South agree with these critics on the need to take stock of the effects of the Uruguay Round before embarking on a new a round of negotiations, many of them, like those in the North, subscribe to the view that trade liberalization fosters growth and is thereby beneficial for economic development (see Rodrik 2001).

These debates are occurring at a time when development itself is being reconceptualized. Measures of development based on market criteria (income or consumption) are being replaced by those based on human well-being, particularly of those often left out—poor people, racial and other minorities and women. Poverty is viewed in a broad, multidimensional and dynamic way rather than in terms of shortfalls in income or consumption. Power, powerlessness and empowerment, ignored for so long by mainstream economists, have become central concepts (and often buzzwords) in development. Increasingly, growth is viewed as a means to human development, rather than an end in itself, and even when it is acknowledged that growth is essential to human development, it is recognized that social inequalities and lack of freedoms and capabilities impede growth. All of this implies that the assessment of trade liberalization, trade policies and trade performance from a human development perspective needs to go beyond traditional social impact analyses, which still view development in terms of growth and markets, to incorporate power and power relations within and across nations.

This paper contributes to such an assessment. It differs from other studies of the impact of trade on inequality and poverty in several ways. First, its principal focus is gender inequalities. Second, it takes a broad view of poverty and examines interactions between different dimensions of social inequalities and poverty, thus seeking to go beyond the static ‘winners and losers’ analysis. Third, it argues that the ‘success’ of trade policies must be evaluated not through market-based criteria, such as whether they maximize flows of goods and services, but in terms of whether they further desired social outcomes such as equity, social inclusion, freedom from poverty, development of human capabilities, protection of human rights, democratic governance and environmental sustainability. In this it goes beyond the social *impact* of trade, based on growth and market access, to look at social *content*, that is, the social relations across and within nations (class, gender, race, etc.) that form the context in which trade policies are enacted (see Elson and Çağatay 2000). Such an approach makes explicit how distributive relations affect trade policy outcomes and how particular trade policies in turn influence distributive relations.

The principal conclusions that emerge from this analysis are:

- that men and women are affected differently by trade policies and performance, owing to their different locations and command over resources within the economy;
- that gender-based inequalities impact differently on trade policy outcomes, depending on the type of economy and sector, with the result that trade liberalization policies may not yield expected results;
- that gender analysis is essential to the formulation of trade policies that enhance rather than hinder gender equality and human development.

The Human Development Paradigm, Gender Inequalities and Poverty

Although trade policy formulation over the last two decades has been dominated by market liberalization, a number of people-centred approaches to development have also emerged, including the human development paradigm, the human rights discourse and feminist economics (see UNDP 2000a; Elson 1997). While these frameworks are distinctive in some respects, they share a central focus on those suffering from injustice, inequality and power imbalances. Their acceptance signals a shift from an emphasis on growth and efficiency as the goals of economic development to a focus on well-being, equity, dignity and the freedom to develop and realize one's human potential. They emphasize that while growth is critical for sustained poverty reduction, equally critical is the nature of growth generated: to be developmentally beneficial, growth must be socially equitable, pro-poor and environmentally sustainable (UNDP 1996, 1997; White and Anderson 2000).

Poverty and Human Development

Until recently, poverty was defined exclusively as a shortfall in private consumption or income, and viewed in absolute rather than relative terms. An alternative approach includes additional elements, such as access to common property resources³ and state-provided commodities, and broadens the concept of poverty to include possession or lack of assets, dignity, autonomy and time (e.g., Baulch 1996; Moser 1996, 1998; Çağatay 1998; UNIFEM 2000). Proponents of this approach argue that poverty should be viewed as a process, rather than a state of being, and that those living in poverty should be seen as deploying whatever assets they possess in an effort to cope with poverty.

Reconciling the concepts of absolute and relative poverty is the capabilities approach, which points out that '*relative deprivation* in incomes and commodities can lead to an *absolute-deprivation* in minimum capabilities' (UNDP 1997: 16, emphasis added). Thus poverty, in absolute terms, is seen as related to relative deprivation and social inequality.⁴ As elaborated by UNDP's *Overcoming Human Poverty and Human Development Reports* (2000b, 1998, 1997), this approach focuses not on income poverty but on *human poverty*—defined as the denial of opportunities and choices to live a most basic or tolerable human life. The World Bank's *World Development Report* (2000) has also revised its concept of poverty to include both physical and social deprivation, including powerlessness.

Besides looking at the social impact of trade based on growth and market access, we need to look at social content, that is the social relations across and within nations.

Gender inequalities are important to an understanding not only of the social content and social impacts of trade policies, but also of the relationship between trade policies and poverty reduction.

It is now more widely acknowledged that poverty:

- is not just a shortfall in consumption or income, but is multidimensional, involving lack of power, assets, dignity, access to public resources, and time;
- is a dynamic phenomenon that is socially reproduced over time and from one generation to the next;
- is the consequence of intersecting structural inequalities across and within nations such as those based on class, race, and gender. Thus, patterns of inequality are seen to be of crucial importance in understanding as well as reducing poverty;
- is experienced differently by men and women.

In addition, it is recognized that:

- while growth is important to poverty reduction, countries cannot rely on high growth rates as the primary way to reduce poverty;
- empowerment of poor people, particularly women, is critical to poverty reduction.

One of the implications of this discussion is that an assessment of trade policies and trade performance from a human development perspective must employ a much broader perspective, shifting from an exclusive focus on market-based criteria to include non-market criteria as well. Policies should be evaluated through an assessment of the extent to which they help or hinder the economic, social and political empowerment of men and women. Moreover, since inequalities influence the outcome of macroeconomic and trade policies, such an assessment also needs to take into account the impact of social inequalities on trade performance. In particular, gender inequalities are important to an understanding not only of the social content and social impacts of trade policies, but also of the relationship between trade policies and poverty reduction.

Gender Inequalities, Development and Poverty

One of the most important axes of power relations in social life is gender.⁵ In all societies, gender relations play a role in the division of labour, distribution of work, income, wealth, education, public goods and services and so on. In most societies women are likely to work longer hours than men, have lower earnings, education, wealth and less access to credit, information and knowledge. Resource allocation is often gender-biased within households as well as within local and national budgets (Çağatay et al. 2000). Gender biases in social life get transmitted through a variety of institutions, including not only the family but less obviously, markets—local, national and international—and the state, which often perpetuates gender bias through a host of economic policies, including macroeconomic policies, trade policies, labour-market policies, and so on (e.g., Çağatay, Elson and Grown 1995; Grown, Elson and Çağatay 2000).⁶ In fact, gender relations permeate all aspects of economic life, making economies gendered structures.

Gender inequalities are not only a development problem in their own right but an important dimension of poverty. Gender-based power relations mean that women experience poverty differently and more forcefully than men do. They help

perpetuate the poverty not only of women but also of families, communities and even of nations from one generation to the next.

Traditional analyses of poverty based on the concept of income poverty or private consumption patterns take the 'household' as the unit of analysis, starting from the assumption that resources are shared equally within households. However, households are characterized by cooperation and sharing as well as conflict and bargaining over the distribution of resources and work patterns (A. Sen 1990; Agarwal 1997). It is often stated that labour is poor people's most abundant asset. But women do not always have full control over their own labour or the income they earn. In some cases, men may forbid their wives from working outside the household.⁷ In others, men may extract labour from women through actual or threatened violence, as with unpaid women family labourers. In crisis situations, men are generally able to mobilize the labour of women, while women lack the reciprocal right/ability over men's labour. For these reasons, it is harder for women to *transform* their capabilities into incomes or well-being (Kabeer 1996).

The concept of human poverty has helped shed light on the relationship between gender inequalities and poverty, making it possible to disaggregate the household and analyse the relative poverty or well-being of household members. This approach focuses on gender differences in basic education and literacy, health services and life expectancy and the socially constructed constraints on the choices of various groups such as women or lower castes (UN 1996; UNDP 1995; UNIFEM 2000). Viewed from the lens of human poverty, women and girls can be poorer relative to men within households that are classified as poor according to income poverty criteria. There can also be women and girls who are poor from a human poverty perspective in households that are classified as non-poor by these criteria. While it is clear that women should not be viewed as passive victims, and their agency should be recognized, gender relations cause women and men to experience poverty differently within households (Benería and Bisnath 1996; Çağatay 1998; Baden 1999; Buvinic 1998; Razavi 1999; G. Sen 1999).

The causal relationship between gender and poverty is not one way only. Gender inequalities mediate the relationship between macroeconomic and trade policies, on the one hand, and the outcomes of these policies, on the other. In particular, they have an impact on growth performance and therefore have consequences for poverty and poverty reduction strategies.

Poverty, Gender Inequality and Trade Liberalization

There is now a burgeoning mainstream literature on the relationship between 'openness' and growth, trade and inequality and a somewhat sparser one on trade and poverty. This work has been stimulated in part as a result of a resurgence of interest in growth theory, including the relationship between growth and inequality. Opposition to globalization on grounds of inequity across and within countries has also stimulated research on the relationship between trade and inequality. The following brief review highlights the limitations of these analyses from a human development perspective and locates the discussion of gender and trade within the larger debates on inequality and trade.

Gender inequalities mediate the relationship between macroeconomic and trade policies, on the one hand, and the outcomes of these policies, on the other.

There is no satisfactory evidence to support the assumption that trade liberalization per se has a positive impact on growth.

Trade, Growth and Poverty Reduction

The current world trade regime is intellectually based on mainstream trade theories which analyse the distributive impact of trade within nations across owners of different ‘factors of production’ such as labour and capital, or on skilled versus unskilled labour. At the most simplified level, if the two factors of production are unskilled and skilled labour, the wage differentials between them should close with trade liberalization in developing countries, whose comparative advantage is assumed to be in goods that make intensive use of unskilled labour, while the opposite should occur in developed countries. If the two factors of production are capital and labour, trade liberalization should reduce the return on capital while increasing it on labour in developing countries, while the opposite should occur in industrialized countries. This implies that trade liberalization should enhance equity in developing countries and decrease it in developed countries. However, trade liberalization produces ‘losers’ alongside ‘winners’ and the redistributive effects can be large in relationship to the size of overall gains. For everyone to benefit from trade liberalization, the state must redistribute benefits from winners to losers.⁸

While this static version of mainstream trade theory draws no direct relationship between trade flows, on the one hand, and gender or poverty, on the other, it implies the following: since ‘labour’ is said to be the most abundant asset of the poor, whether women or men, trade liberalization in developing countries should raise the earnings of women and those living in poverty by increasing the return to unskilled labour. Thus, one would expect trade liberalization to make a positive contribution to the reduction of poverty and inequality, including gender inequality. In the 1990s, in its three-prong approach to poverty reduction, the World Bank supported labour-intensive growth and viewed trade liberalization as the means to achieve it.

During the 1990s, as evidence of increased poverty and inequality resulting from structural adjustment policies mounted, proponents of this view simply grew more insistent, arguing that ‘globalization is good for the poor’ on account of its presumed impact on growth (Dollar and Kray 2000).⁹ Once it is accepted that ‘growth is the single most important factor influencing poverty’ (Ames et al. 2001: 2) then it is a short step for many mainstream economists to conclude that trade liberalization is good for poor people. This argument is usually supported by cross-country studies that show that various indicators of increased openness are correlated with higher growth rates (e.g., Dollar 1992; Edwards 1993; Sachs and Warner 1995). However, openness, in the sense of high ratio of exports to gross domestic production (GDP), can be achieved through a variety of policies, including those related to exchange rates, technology or export promotion. Rodriguez and Rodrik (2000), in an analysis of the cross-country empirical literature, demonstrate that there is no satisfactory evidence to support the assumption that trade liberalization per se has a positive impact on growth.

An alternative to cross-country studies is country case studies, which take into account the historical and political context of economic trends. Two recent collections of case studies endeavour to do this, focusing on the impact of liberalization on economic performance, social inequalities, and poverty in different countries (Taylor

2001a; Ganuza, Taylor and Vos 2000).¹⁰ Taylor (2001b) concludes that ‘diversity of outcomes is a result in itself.’ He adds that such diversity

...should negate the relevance of general sweeping statements about whether the reforms have been exclusively costly in terms of growth, employment or equity. If one is to sing a sad song, however, the evidence certainly shows that in the post-liberalization era few if any of the countries considered seem to have found a sustainable growth path. Employment growth has generally been slow to dismal and rising primary income disparity (in some cases over and above the already high levels of income inequality) has been the rule.’ (ibid: 9)

The studies also showed that in most instances, the state lacked the administrative or fiscal capacity to counter the adverse social consequences of liberalization.

The fact that results of trade reform are likely to vary both across countries and across different segments of the population has prompted mainstream economists to take some account of these differences. For example, in a widely cited paper on trade and poverty, Winters (1999) proposed a method of analysing the effects of trade and trade policy on poverty at the country level, paying some attention to inequalities at the level of the household as well. While acknowledging other aspects of poverty, he adopts an absolute consumption approach as the simplest way to understand its impact. Starting with a stylized ‘farm household’ as the economic unit that makes the consumption, production and labour supply decisions, he analyses the effects of trade reform through their impact on the price of goods or services the household sells or consumes. Whether trade reforms are anti-poor or pro-poor depends on the relative effects of these prices.

Winters proposes a number of questions that policy-makers need to investigate, such as whether reform is likely to create or destroy effective markets, whether its spillovers are concentrated on areas/activities of relevance to people living in poverty, whether success depends on their ability to take risks and how the reform might affect government revenues. However, his conclusions differ little from those of mainstream approaches. Even though he recognizes that the impact of trade on poverty differs across countries, making policy prescriptions for one country unsuitable for others, he argues that trade liberalization is ‘a strongly positive contributor to poverty alleviation—it allows people to exploit their productive potential, assists economic growth, curtails arbitrary policy interventions and helps insulate against shocks.’ He adds that ‘most reforms will create some losers (some even in the long run) and that some reforms could exacerbate poverty temporarily’ but argues that ‘in these circumstances policy should seek to alleviate the hardships caused rather than abandon reform altogether’ (Winters 1999: 43).

This analysis leaves out a number of questions that are crucial for assessing the links between poverty, gender and trade. While it acknowledges that effects of reform may be differentiated within households, as for example by gender, it does not consider the entire relationship between gender inequalities, poverty, growth and trade reform. For example, it does not consider that gender-based inequalities among poor people, which cannot be reduced to distributive inequalities within households, may

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themselves constitute an impediment to the success of trade reform or limit the benefits of reform to poor households and to the economy in general. While Winters notes that trade reform may increase women's overall work burden, he does not include this as a specific question for policy-makers to address. And while he asks whether the success of reforms depends on the ability of poor people to take risks, he does not ask whether men and women have differential capacities for or attitudes toward risk-taking because of the gender-based differences in control over resources and responsibilities in provisioning.

Similarly, Winters' analysis does not sufficiently address the significance of other policies that mediate the influence of trade reform. Although he considers the possibility that trade reforms may lead to reduced government revenues and includes this question in the checklist, he does not ask how the contradiction between the reduced fiscal capacity of the state and the safety net approach to poverty reduction will be resolved. Neither does he address the consequences of reduced fiscal capacity, which is often accompanied by a reduction in social expenditures or the institution of user fees, with adverse consequences for women and poor people. The checklist does not address whether women and the poor have institutional mechanisms for voicing their interests and articulating the impact of such trade policies (or any other policy). It does not address the political processes that lead to trade reform. In practice, trade liberalization is accompanied by other policies—e.g., capital account liberalization or labour-market deregulation—that may make it more difficult for poor people or for women to organize effectively to articulate their interests. Finally, it does not address whether trade reform and the incentives it creates leads to changes in production relations such as increased coercion of workers within the workplace or to increased appropriation of women's labour within households.

In principle, an expanded set of questions can be devised to address these issues, in order to illuminate the social and political channels through which the impacts of trade reform work themselves out. This would enable policy-makers to make better decisions about the scope and pace of trade reform as well as additional policies needed to ensure that they are equitable and growth enhancing. Only by raising such questions, can we have fruitful social dialogue about economic policies and begin to search for alternatives to market fundamentalism.¹¹

Gender and Trade

Examination of the relationship between gender inequalities and trade policies and trade flows is an entry point for an investigation that takes a broader view of development, poverty and well-being. Gender is important not only for its own sake as a human rights issue, but also because of the interactions between gender inequalities, on the one hand, and the dynamics of growth, class-based inequality and poverty, on the other.

However, mainstream economics literature is generally gender-blind when it comes to assessing the relationship between trade, on the one hand, and inequality and poverty, on the other. This is because until recently, gender had not been considered a relevant category of analysis. Most economists acknowledge gender bias at the microeconomic level, for example, in the operation of labour markets or in the alloca-

tion of resources within households. But they often find it more difficult to see the relevance of gender at the macroeconomic or the global level. This is due to the general assumption that macroeconomics is about aggregates and that both the policy objectives (such as price stability, employment generation, growth or external balance) and the traditional policy instruments of macroeconomics (fiscal, monetary, exchange rate policies) are gender-neutral. Similar views are often held with regard to the analysis of international trade and finance. Consequently, gender is largely ignored at the theoretical, empirical and policy design levels, thereby perpetuating gender bias in the actual working of economies.

Economists and others working on gender and development have been investigating the multifaceted relationships between gender inequalities and trade patterns for at least the last two decades, principally focusing on gendered employment and employment conditions associated with export-orientation. The conceptual entry points can be summarized as follows:

- Gender relations influence the distribution of output, work, income, wealth and power;
- Gender influences the economic behaviour of agents. Men and women do not always respond in the same way to similar economic phenomena;
- Institutions, including 'markets' and the state, transmit gender biases in economic life;
- Labour is a produced input, whose costs of production and reproduction remain partly invisible as long as unpaid household labour, performed mostly by women, is not considered part of economic activity. Unpaid work needs to be made visible and the economic meaning of work redefined to include unpaid household labour in order that economic analysis not be misleading. For example, what may appear to be 'efficient' from a market-focused analysis may be socially inefficient once full labour accounting and time-use are considered.

These concepts have been used in formal modeling, empirical work and policy analysis, dialogue and advocacy. The analyses have helped demonstrate that trade policies do not have the same impact on men and women and point to ways in which gender relations influence trade policy outcomes (e.g., Joeques and Weston 1994; Benería and Lind 1995; Joeques 1995, 1999; Çağatay, Elson and Grown 1995; Grown, Elson and Çağatay 2000; UN 1999; UNDP 1999; Williams 1999; Benería et. al 2000). Accordingly, the following discussion will cover two sets of issues: a) the gender-differentiated impact of trade policies and changing trade patterns and b) the impact of gender inequalities and gender relations on trade patterns and trade policy outcomes.

The Gender-Differentiated Impact of Trade Policies

A comprehensive assessment of the gendered impacts of trade reform would analyse changing patterns and conditions of work, including paid and unpaid work; changes in gender gaps in wages, earnings, patterns of ownership and control over assets; changes in consumption patterns and use of technology by men and women; changes in public provisioning of services and their gendered impacts, as well as the gender-differentiated empowerment implications of trade flows. A central question should be whether trade reform and emerging patterns of trade perpetuate, accentuate or erode existing gender

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inequalities. A related question is whether there is a change in gender-based power relations within households, communities and the society at large. While such analyses have been limited by the absence of gender-differentiated data in many of these areas, there has been a major debate on whether trade policies and patterns have been empowering to women.

As a number of recent studies show, women's participation in paid employment has risen around the globe within the last two decades, corresponding to a period of trade liberalization in developing countries. While the increase in female participation in paid employment has had causes other than trade, the increased openness of individual countries to the world economy has had an unmistakable gender dimension.

In a path-breaking article, Elson and Pearson (1981) drew attention to women's increased employment in 'world market factories' and the role gender played in the constitution of a perceived 'docile' and low-paid labour force in export-oriented production. Since then, a growing number of studies have confirmed the association between export-oriented manufacturing and women's employment, both within and across countries (e.g., Wood 1991; Standing 1989, 1999; Çağatay and Ozler 1995; Joeke 1995, 1999; Ozler 2000, 2001; UN 1999). In general, their findings support the thesis that export-orientation in *developing countries* develops in tandem with the feminization of paid employment. Reviewing evidence from a variety of sources, Joeke concludes: 'In the contemporary era no strong export performance in manufactures by any developing country has ever been secured without reliance on female labour' (1995: 3). Manufacturing exports typically associated with female-intensive labour include textiles, apparel, electronics, leather products and food processing.

By contrast, in most *industrialized economies*, increased trade with developing countries has led to loss of employment in industries such as textiles, apparel, and leather goods where women are over-represented.¹² This is not surprising in view of the gender-based patterns of employment in most countries. In the case of manufacturing industry, for example, women are crowded into a narrow range of sectors that produce standardized commodities that compete on the basis of price alone. Production generally relies upon labour-intensive techniques, disproportionate use of unskilled labour and subcontracting chains. Thus, just as the increase in exports of manufactured goods has created an increase in women's share of paid employment in developing countries, it has led to a disproportionate decline in women's employment in industrialized countries.

In addition, it appears that the feminization of employment through export-orientation is more common in the manufacturing sector and in semi-industrialized economies than it is in agriculture-based economies. Case studies suggest that trade liberalization in agricultural economies can disadvantage women or benefit them less than they do men, even when traditional export crop production increases (Gladwin 1991; Fontana et al. 1998). In many sub-Saharan African countries, for example, although women constitute the backbone of agricultural production and their work is critical for food security, they are usually small farmers or engage predominantly in the production of food crops. Trade reform tends to advantage large and medium producers, and disadvantage smaller ones, partly through intensified

import competition. When opportunities emerge with new markets, women are slow to take advantage of them, as they often lack access to credit, new technologies, knowledge of marketing and the like.

The impact of these changes is likely to be more severe for women-headed households and for poor women (Fontana et al. 1998). Moreover, in those instances where the household income increases with increased cash crop production for export markets, the well-being of women and children may not improve. If, for example, the increase in family income is accompanied by a decrease in food crop production as women's labour is mobilized in cash crop production, the family nutritional intake might suffer while the work burdens of women and girls increase. This is more likely to happen when men retain control over the increased household income and use it for their own consumption.

Thus, although research is sparse, there are reasons to expect that trade liberalization in predominantly agricultural economies may jeopardize women's livelihoods and well-being or that women will be the last to take advantage of the opportunities created, owing to the gender division of labour and gender-based differences in ownership and control over land, credit and production and marketing knowledge. The problem is not merely one of unequal resource control within households, but of gender biases in institutions such as the state and markets. In economies where self-employment or unpaid family work is more prevalent, gender-based differences in resource control have more adverse consequences for women than they do in economies where there are more opportunities for wage labour (Joeke 1999). In the former, the impact of trade liberalization is mediated more forcefully by what happens to common property resources and gender differentiation in private property rights within poorer and rural households. If trade liberalization leads to environmental degradation and erosion of common property resources, as happens in many countries, this has adverse impacts especially on the livelihoods of poor women. In the latter, women's low pay and other labour-market disadvantages may make them the preferred labour source, leading to feminization of employment.

Looking only at semi-industrialized countries then, the association of trade liberalization with an increase in women's share of paid employment in the export sector that occurs in these economies has led some analysts to conclude that such liberalization is beneficial for women in these economies, helping to close the gender gaps in employment and wages. However, even in these economies, there are reasons to be sceptical, given the conditions of work and the modalities under which the increase in women's paid employment takes place. There are four principal causes of concern:

- Liberalization creates 'winners' and 'losers' among women even if there is a net gain in women's employment compared to men;
- Conditions such as job security, health and occupational safety and pay may not improve for women as they make relative gains in employment; indeed, they may deteriorate under the pressure of international competition;
- Feminization of employment may be a temporary phenomenon which may be reversed at later stages of export-promotion as exports move up the skill ladder;

- While the overall expansion of women's paid work may be viewed as potentially empowering to women, this also spells an increase in women's overall work burdens, as increases in women's paid work are not accompanied by a similar reduction in their unpaid household labour.

While women's employment might show a net gain in the aggregate, import competition caused by trade liberalization also leads to loss of employment for some women, depending on the sectoral reallocation of work. In India, for example, employment losses were found to be largely in the informal sector, while the gains were concentrated among skilled workers (Winters 1999). In general, if those losing employment as a result of import competition are concentrated in informal work, among small farmers, in small firms and among low-skilled workers, poor women are likely to suffer disproportionately, just as other women make inroads into paid work. The impact can be even greater as safety nets grow thinner and remain gender biased.

Trade Liberalization and Working Conditions

Researchers offer three explanations to account for changes in the gender composition of labour: (i) the buffer hypothesis, (ii) the segmentation hypothesis and (iii) the substitution hypothesis. According to the buffer hypothesis women enter paid employment during periods of labour shortages and leave the labour force when unemployment increases after a downturn; that is, they constitute a reserve army of labour, whose size fluctuates with the business cycle. The segmentation hypothesis takes as its starting point the observation that women are concentrated in different occupations and industries than men are—that is, that labour markets are segmented by gender—and posits that changes in the gender composition of labour come about when the composition of aggregate output changes. Female participation in paid employment rises as the share of those sectors where women are over-represented increases. The substitution hypothesis refers to the idea that over time women replace men in jobs that were hitherto considered 'male.'

The experience of many developing countries in the last two decades shows that trade liberalization has been directly linked with the second and third modalities, and only indirectly with the first. One of the main points of contention has been whether feminization of the labour force comes about through a process of change in the composition of output or through substitution of women for men. For example, Wood (1991) views it as an outcome of the pattern of comparative advantage of developing countries while Joeke (1995) and Elson (1996) argue that it comes about as a result of expansion of female-intensive sectors and a decline of male-intensive sectors and occupations. Standing (1989, 1999), on the other hand, has argued that in the current era of intensified global competition, supply-side macroeconomics and deregulation, employers have tried to ensure a more 'flexible' labour force by substituting lower paid women workers for men. He views feminization not only as an increased share of women in paid employment, but also as the transformation of male jobs where the conditions of work associated with them converge with the conditions associated with women's work. In this view, feminization and flexibility are interlinked:

The 1980s might be labeled the decade of deregulation. It has also marked a renewed surge of feminization of labour activity ... the types of work, labor relations, income, and insecurity associated with 'women's work' have been spreading, resulting not only in a notable rise in female labor force participation but in a fall in men's employment as well as transformation—or feminization—of many jobs traditionally held by men. (Standing 1989: 1077)

However, it is not easy to separate these two modalities empirically. Humphrey (1987) finds evidence of substitution in the case of Brazil. Çağatay (1996) argues that the deterioration of urban wages during structural adjustment episodes has pushed women into both formal and informal sector employment and that in addition, gendered patterns of employment segmentation and women's relatively lower wages have become important factors pulling women into labour markets (see also Çağatay and Ozler 1995). The segmentation thesis appears to be the more relevant modality although substitution may also be operative to a lesser degree.

This discussion highlights the importance of the overall policy context within which the feminization of employment takes place. The erosion of male workers' rights and of the power of trade unions vis-à-vis owners of capital in the last two decades has been largely due to the triumph of neo-liberal ideology. Trade liberalization, and market liberalization policies more generally, have served to weaken workers' rights as labour-market deregulation has been justified in the name of staying competitive internationally. Workers' bargaining power and governments' ability to protect workers' rights has been further eroded by the increased mobility of capital. Technological innovations have also made it possible for production patterns to be organized in more flexible ways (Elson 1996, 1999), making traditional forms of union organizing, based on earlier patterns of production, less effective (see Çağatay 1996). Thus, what is important is not only whether women are gaining in employment opportunities, but also to what extent women are able to negotiate for better wages and working conditions.

The rise in women's participation in paid employment implies that they have greater control over income, which can potentially enhance their autonomy and negotiating power. Proponents of trade liberalization make this case, arguing that gender-based wage gaps have decreased with women's rise in paid employment (e.g., Tzannatos 1992).¹³

However, increased wage inequalities between skilled and unskilled workers, which has occurred especially in Latin America, implies increasing gender-based wage differences, given the over-representation of women among the less skilled. The World Bank (1995:107) reports that 'in Latin American adjustment episodes the hourly earnings of women declined even more dramatically than those of men, partly because women were concentrated in hard-hit low-paying sectors such as apparel.' Even in countries where wage inequalities are not increasing, as in those Asian countries that relied heavily on female labour for export-led industrialization, the gender wage gap has not diminished and in some cases has even widened (Seguino 1997). Although trade liberalization seems to advantage women in terms of employment, their 'competitive advantage' as workers lies in their lower pay and poorer working conditions.

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Indeed, much of women’s trade-related gains in employment have taken place in export processing zones (EPZs), subcontracting chains that produce for multinational corporations and the informal sector. In all of these, conditions are characterized by long hours, job insecurity and unhealthy working conditions as well as low pay, and in many cases, women also experience sexual harassment and other forms of gender-based discrimination such as pregnancy tests. This is not surprising, since many EPZs have been designed to exempt firms from local labour laws (G. Sen 1999). While it has been argued that women’s wages and working conditions in export-oriented production, particularly in multinationals, are better than the alternatives, including joblessness (Lim 1990), and thus preferred by women employed in such establishments (Kabeer 2000), this merely indicates how harsh conditions are for women in general rather than showing a reduction in gender inequalities in employment and earnings (G. Sen 1999).

The persistence of such patterns can also be seen in the de-feminization of employment that has been seen in the later stages of export-led growth, when the mix of exports begins to use more skilled labour, as can be seen for example in Mexico and Singapore (Joecks 1999). This suggests that the phenomenon of feminization of employment itself may be only a temporary one.

Trade Liberalization, Feminization of the Workforce and the Care Economy

While the empirical work on the increase in women’s share of paid employment, or feminization, has concentrated on wages and working conditions, there has also been an attempt to assess the implications of feminization of paid work on household labour or what is known as the reproductive or care economy. Feminist economists and social scientists have long observed that an increase in women’s labour-force participation is not accompanied by a commensurate reduction in their unpaid domestic labour, as men have been reluctant to pick up the slack, resulting in the so-called ‘double day’ for women. Two consequences can be seen with the increase in women’s paid employment: either the provision of care is squeezed and/or women’s leisure time is reduced. In a study of Bangladesh, Fontana and Wood (2000) find that the expansion of women’s paid employment has been accompanied by a reduction in their leisure time while the 1999 Human Development Report ties intensification of global trade competition to a squeeze in the provision of care—both unpaid and paid (see also Floro 1995; Moser 1992). A squeeze in provision of care, in turn, jeopardizes human development in the long run.

Adding to the pressure of an increase in women’s paid employment on the time/care squeeze is the broader policy context in which this occurs. Trade liberalization typically is accompanied by reductions in government spending and increased privatization of services, including health care, obliging women to take on these responsibilities and/or forgo services. The expansion of trade liberalization agreements to cover intellectual property rights has additional consequences for health care, as drugs needed for basic health are prohibited from subsidized production of generic substitutes. A well-known example is the controversy around the availability of affordable drugs for the treatment of HIV/AIDS, as the imposition of patent rights restricts governments from either producing or importing cheaper

alternatives. The direct adverse effects on women and men who suffer from HIV/AIDS is obvious. However, this is a pandemic which spreads more easily to women and also has the consequence of increasing women's work burden within the household to provide care to those suffering from the disease.

Another way in which trade liberalization can affect women's unpaid labour time is through its impact on the environment. In many countries, it is women, especially poor rural women, who are responsible for the management of biological and livelihood diversity (Chambers 1996: 173). They rely on common property resources for their livelihoods and are also responsible for the collection of water and fuelwood from such sources. If trade liberalization results in environmental degradation and a reduction of biodiversity, women will have to devote more time to these tasks.

Liberalization and the Fiscal Capacity of the State

In many instances of economic liberalization, the state has not had the administrative and fiscal capacity to mitigate the negative social consequences of trade liberalization (Taylor 2001b). This is in part because economic liberalization itself hampers the fiscal and administrative capacities of governments to provide protection to their most vulnerable citizens by reducing government revenues. In addition, market liberalization policies and ideologies have advocated a minimalist state. Trade liberalization, which deprived many governments of a significant source of revenue, has also been accompanied in many countries by fiscal retrenchment, privatization, or institution of regressive user fees or indirect taxes. Moreover, governments were compelled to give tax breaks in order to attract foreign capital, shifting the burden of taxation from footloose capital to labour in the world economy (Grunberg 1998; Wachtel 2001). Highly indebted countries, in addition, face large debt servicing obligations in an age when overseas development assistance (ODA) has been shrinking. All these factors have had the effect of diminishing the fiscal and administrative capacity of the state to compensate those citizens that have been adversely affected by trade.¹⁴ While all of this cannot be blamed on trade liberalization, trade reforms have come as a part of a package of liberalization policies and their impacts can not be evaluated in the absence of a consideration of the general policy context in which they occur or the interactions between trade reform and other types of economic reform.

When social services are reduced, or user fees are charged, poor people and women suffer. Women suffer doubly because, on the one hand, they benefit less from publicly provided services, such as education, health care, clean water, and the like, and, on the other hand, their work burden in the form of unpaid household work and care labour may increase to make up for the shortfall. It is, therefore, small consolation to poor women and men whose livelihoods suffer as a result of import competition that trade reform brings overall gains that can potentially be used to compensate their losses.

It is sometimes argued that people living in poverty never had sufficient access to publicly provided goods in the first place and that therefore they could not have lost what they never had. This kind of reasoning betrays a narrow 'winner' and 'loser' approach and demonstrates only how long the citizenship rights of women and poor people have been ignored. The effects of the fiscal squeeze on their well-

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being have to be evaluated not only against the miserable baseline of what they did not have, but also against their legal and ethical entitlements as citizens and human beings as well as against national and international commitments to economic, social, political, civil and cultural rights.

A Contradictory Picture

The overall implication of these patterns is that trade expansion has ambiguous and contradictory gender effects. The point is not only that some women lose their livelihoods while other women make gains in paid employment. Rather, as gender inequalities and power relations are multidimensional and interrelated, even the women who may be making gains in some dimensions such as employment may be losing in other dimensions, such as leisure time, or facing a deterioration of their health conditions through their work in hazardous workplaces. The debate on whether feminization of the labour force is empowering to women reveals the multiple social inequalities that poor women, especially, face. On the one hand, paid employment has the potential to provide them with greater control over income and increase their status and bargaining power within households or communities. As consumption patterns between men and women differ, with women spending a higher proportion of income on family nutrition, health and education as compared to men, women's increased control over income is likely to increase the well-being of women and children within households. At the same time, women become incorporated into paid labour as 'inferior' sellers of labour, reflecting both inter-class disadvantage vis-à-vis capital and an intra-class disadvantage vis-à-vis men workers. Resolving these contradictions in favour of women, particularly poor women, requires collective action and multi-dimensional public policies which help empower women in different spheres of economic and political life.

Empowerment has been a central element in the evaluation of the gendered impacts of trade, owing to the fact that the human development paradigm, rights-based approaches and feminist approaches to development share the common goals of realization of citizenship rights, particularly of women, and expansion of capabilities and freedoms to realize one's potential as a human being. Accordingly, even if women are not regarded as 'losers' from trade liberalization in the traditional sense (income and consumption), another consideration is whether trade liberalization creates incentive structures that put their human rights and capabilities into further jeopardy. Indeed, some of the findings on the impact of gender inequalities on trade performance indicate such a possibility.

The Impact of Gender Inequality on Trade Performance and Policy Outcomes

As noted in the discussion on predominantly agricultural economies, gender-based inequalities in control over resources such as land, credit and knowledge not only hinder the ability of women to take advantage of new opportunities presented by trade liberalization, but also constrain the output response and thus the export capacity of the whole economy. Gender based inequalities in education, health and access to farm inputs are found to dampen output, productivity and growth rates (Hill and King 1995; Klasen 1999; IFPRI 2000; Quisumbing 1996). Since productivity and growth rates affect trade

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performance, these gender-based inequalities hinder successful export performance, particularly in agricultural economies where smallholder producers are predominant. Indeed, research has shown that gender-based inequality in households acts to constrain output capacity (the 'muted' supply response) in sub-Saharan African economies (see, e.g., Darity 1995; Warner and Campbell 2000).

In contrast, in some export-oriented semi-industrialized countries, gender inequalities in manufacturing wages have operated to stimulate investment and so lead to higher growth rates (Seguino 2000). Thus, while most dimensions of gender inequality (e.g., in health, education, skills training, etc.) constrain productivity, growth and output and indirectly hinder trade performance, wage inequality appears to have a positive impact on growth in the context of international competition in industrial sectors.

However, while gender-based wage differences can create a competitive advantage for some semi-industrialized countries, if such a strategy is adopted by all of these countries, it may result in a slow but steady deterioration in their terms of trade as a whole vis-à-vis industrialized countries. The idea that North-South trade can lead to declining terms of trade for the South, known as the Prebisch-Singer thesis, was advanced half a century ago to explain uneven development. The original thesis was based on the difference between the primary commodities exported by the South and the manufactured goods exported by the North. Since then, however, the diversification of developing country exports towards manufactured goods has not curtailed the decline in their terms of trade (Sarkar and Singer 1991; Maizels 2000). This is because the manufactured goods exported by the South are standardized commodities produced by less skilled labour, and thus compete on the basis of price alone. By contrast, the manufactured exports from the North are products of higher technology and their prices are determined on a cost-plus basis.

The manufactured exports also differ in terms of employment, with developing country exports being more female-intensive than industrialized country exports. As pointed out by Joeke (1999: 55), gender-based wage differentials can affect terms of trade in that 'low wages paid to women workers have allowed the final product prices to be lower than what they would otherwise have been without compromising the profit share'. Empirical support for this thesis is provided by Osterreich-Warner (forthcoming), who finds that gender-based wage gaps in a number of semi-industrialized countries are associated with a decline in their terms of trade vis-à-vis industrialized economies.

At the heart of this dilemma is the fact that women in different countries are concentrated in a relatively narrow range of occupations, competing with each other through trade. Trade and investment liberalization thus provide an incentive to countries to repress women's wages to stay competitive and attract foreign investment, since firms can always find another country with a pool of women workers whose bargaining position is weaker. This makes global empowerment of workers especially important for women workers, who tend to be concentrated in unorganized sectors, including home-based production (see Çağatay 1996; Fontana et al. 1998).

While gender-based wage differences can create a competitive advantage for some semi-industrialized countries, if such a strategy is adopted by all of these countries, it may result in a slow but steady deterioration in their terms of trade as a whole vis-à-vis industrialized countries.

Trade, Women's Empowerment and Labour Standards

While empowerment of women workers worldwide depends greatly on the improvement of labour standards throughout the global economy, there is no consensus on how this can be achieved. Indeed, labour standards are one of the most controversial of the new issues that have been put forward by some countries for future trade negotiation. Following the ILO Declaration on Fundamental Principles and Rights at Work by the International Labour Organization (ILO) in June 1998, the core labour standards generally refer to:

- freedom of association and the effective recognition of the right to collective bargaining (Nos. 87, 98) ;
- elimination of all forms of forced or compulsory labour (Nos. 29, 105)
- effective abolition of child labour (Nos. 138, 192)
- elimination of discrimination in employment and occupation (Nos. 100, 111)

These conventions have been identified by the ILO as being 'fundamental to the rights of human beings at work, irrespective of the level of development of individual member states.'¹⁵ Two other ILO conventions are important particularly for women, namely the 1996 Home Work convention (No. 177) and the 2000 maternity convention (No. 183).¹⁶

What initially brought the issue of labour standards to the trade agenda was the fear of downward harmonization of wages and working conditions in the context of trade liberalization. Northern consumers, concerned by media images of workers, especially women and children, toiling in awful sweatshops in the South to produce the goods they consumed, began to support ethical trade initiatives and solidarity efforts.¹⁷ Recently, several northern NGOs have begun to argue for a linkage between market access and labour standards through trade agreements.

Northern governments are currently the principal proponents of linking trade and labour standards within regional and multilateral trade agreements. Southern governments, fearing that such standards will operate as a disguised form of protectionism for industrialized countries, have opposed such linkage in the WTO.¹⁸ Among NGOs, those that oppose linkage span the ideological spectrum: free-market proponents have opposed labour standards as labour market 'distortions' that cause unemployment, while those who are otherwise opposed to free market ideology and support workers' rights, have argued that the WTO is not the appropriate institution for dealing with labour standards, which should be left to the ILO.¹⁹

Women's voices, though perhaps not as loud, have not been missing on this issue, along with trade issues more generally. Within the context of trade agreements, women's interests have been articulated by the Informal Working Group on Gender and Trade (IWGGT), a network of about 30 organizations that aims to promote gender awareness on trade and integrate a gender perspective into all levels of WTO work. While IWGGT has not formally supported linkage between labour standards and trade, its membership includes the International Confederation of Free Trade Unions (ICFTU), which supports a workers' right clause giving special attention to women workers. Women's groups divide along the same lines as other civil society groups, with Northern groups supporting linkage and Southern groups opposed (see

Francisco 2000a and b). Consensus is lacking on the institutional channels through which labour standards should be enforced and whether social clauses or workers' rights' clauses are the best or even effective ways to promote human rights of women as workers. Neither has there been sufficient debate from a gender perspective among groups advocating against or for linkage.

Labour rights are not only fundamental human rights, they also constitute an integral aspect of development as viewed through the human development lens (A. Sen 2000). While it is often argued that industrialized countries should not impose their norms on developing countries, there is nothing about these rights that makes them suitable only for industrialized country citizens. Countries of the South as well as those of the North have enshrined these rights through their own laws. The problem is one of enforcing them. Those supporting linkage point out that the ILO lacks effective enforcement mechanisms and that trade related measures would provide for these.²⁰ Such measures would include fines and assistance to countries for the improvement of monitoring and enforcement mechanisms. Trade sanctions are proposed as a last resort.

Opponents point out that the WTO lacks the credibility to be an enforcer of workers' rights in the global economy, since it generally overpowers the voices of developing countries and excludes those from civil society entirely. However, since the WTO has already widened the scope of trade negotiations on behalf of capital—with such areas as intellectual property rights (TRIPS) and investment measures (TRIMS) for example—opening the debate to the rights of workers might at least provoke a debate. Dialogue on these issues can help clarify the kind of WTO needed to support workers' rights, as well as how regional trade arrangements can help promote such rights, in ways that prohibit disguised protectionism. Such a debate, in turn, would require gender-awareness with respect to trade, which is what gender advocates have been working to bring about.

From a gender and poverty perspective, workers' ability to collectively organize is critical. Part of the reason for the perpetuation of poverty has to do with women's lower wages compared to men, with particularly adverse affects on poor women-headed households. Low wages, especially for women, also encourage greater reliance on child labour, which depletes capabilities, health and well-being and further depresses adult wages in countries where child labour is relatively widespread.

It is important to point out that countries that recognize and enforce labour standards do so only as a result of long struggle, both for compulsory public education and for labour market regulation (see e.g., Philips 2001). Part of this struggle was about moral persuasion. The other part had to do with the recognition that while brutal exploitation of workers might yield quick profit in the short run, in the long run, it was not in the interest of anyone, including the capitalist class, to rely on a mode of accumulation that depleted the capabilities of its working class. On the supply side, a sustainable system of production needs to generate capabilities and skills. On the demand side, mass markets based on workers' purchasing power are needed so that goods produced can be sold. In today's world economy, the emphasis has been on market access and competition in production. However, if large numbers of countries try to compete

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in the world economy on the basis of low wages, a global glut is likely to occur. Therefore, ensuring a mechanism through which workers can collectively bargain over the conditions of their work is not only a human rights imperative, but insofar as core standards help raise wages, it is necessary for the emergence of mass markets.²¹

If the arguments put forth above about the relationship between gender inequalities and terms of trade are taken seriously, not only women workers, but also developing countries as a whole stand to gain from improved labour standards. However, the current tendency of policy-makers in many developing countries is to view labour standards as eroding their competitive edge by increasing labour costs—despite the long-term risk to their terms of trade vis a vis industrial countries. While downward harmonization has been posed as a North-South issue, to the extent that developing countries are forced to compete with each other on the basis of ever lower labour standards, it is also a South-South issue.

Even though it is the primary responsibility of governments to uphold the rights of their citizens, they are not the only entities to be held accountable for workers' rights. Multinational corporations, which are the main beneficiaries of the current system of globalization, have a major responsibility to adhere to local laws and ensure that their suppliers are in compliance with them. In recent years, as a result of consumer boycotts or threat of boycotts, a number of multinationals have adopted ethical codes of conduct. The extent to which they can improve working conditions depends on the extent to which they are enforced, making it critical for unions and other workers' rights organizations to monitor their compliance by individual countries as well as employers. Indeed, many NGOs have been playing such a role through ethical trading initiatives, by setting up Alternative Trading Organizations and fair-trade labeling movements (see Barrientos 2000; Blowfield 1999; Diller 1999). These are at best only partial solutions, which have nonetheless been useful in raising public awareness on poor working conditions in many countries.

Another factor that affects working conditions, especially for women workers in developing countries, is the trade policy stance of industrialized countries. As noted at the outset, while many developing countries have liberalized their trade regime, essential industrialized country markets remain closed to them, especially in textiles, apparel and leather products. As these industries employ mainly women, such protectionism operates to keep women's employment and possibly wages lower than they might otherwise be and thus to reinforce gender inequalities. In agriculture, subsidies by industrialized countries make it especially difficult for small producers, which include the majority of women in developing country agricultural sectors, to compete. Thus opening up industrialized country markets in these areas might be more gender equitable—though it is not clear which developing countries would capture the benefits.

Towards Gender-Sensitive Trade Policies

It is increasingly recognized that trade policies have gender-differentiated impacts and that gender inequalities affect trade performance. The Beijing Platform of Action, for example, points to the need for more analysis of the impact of globalization on women's economic status and the need to 'ensure that national policies related to international and regional

trade agreements do not adversely impact women's new and traditional economic activities' (UN 1996, para 176). In this connection, the IWGGT, mentioned above, has set for itself the following priorities:

- promotion of gender awareness in trade issues
- integration of gender perspectives into all levels of WTO work
- the inclusion of gender in the Trade Review Mechanism
- promotion of the availability of disaggregated data for trade analysis
- making visible the gender-trade links in trade analysis

Other groups, including DAWN, a Southern network of feminist scholars and activists, and the International Gender and Trade Network, for example, work to promote these goals through research and advocacy on gender mainstreaming into trade agreements in accordance with the mandates of the Beijing Platform for Action. Moreover, some recent United Nations conferences have addressed the need for gender mainstreaming in trade agreements. The declaration of the workshop on Least Developed Countries, 'Building Capacities for Mainstreaming Gender in Development Strategies,' is an example.²²

In practice, however, gender awareness is not a factor in the negotiation of trade agreements and policies. In addition to ideological constraints, most of which derive from the insistence that expansion of markets and increased market incorporation of women and poor people translates into higher income and well-being, there are a number of institutional constraints on the incorporation of a gender perspective into these agreements.

First among these are issues related to governance. Women and women's voices are largely absent in trade policy-making institutions and very few men in such institutions acknowledge the relevance of gender to trade policies, despite the numerous UN resolutions and agreements requiring gender mainstreaming in all policies, programmes and institutions, including those related to trade.²³ At the global level, moreover, the current impasse between those favouring the inclusion of new issues, such as labour and environmental standards, and those arguing for no new round of negotiations renders consideration of gender issues within the WTO at this point somewhat difficult. Yet it can be argued that such issues should be central in either case, for all of the reasons elaborated above.

Critiques by researchers and civil society organizations, however insightful, cannot result in more gender equitable trade policies without an institutional structure backed by political commitment and resources. At the national level, this means that ministries of trade must strengthen their capacity to apply a gender analysis to all policies and programmes and must work more closely with ministries of women's affairs. Since the latter currently remain marginal in most countries, they in turn must be upgraded in terms of resources, expertise and political status.

At the global level, achieving more gender-equitable trade policies requires a serious dialogue on the need for a new institutional structure and how the WTO can be reformed to carry out some of the needed functions. In this regard, the efforts of women's groups to insert gender mainstreaming provisions in regional

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trade agreements can provide some guidance. The Asia Pacific Economic Cooperation Forum (APEC) is an example. In September 1999 APEC Leaders and Ministers endorsed the Framework for the Integration of Women in APEC and established an Ad Hoc Advisory Group on Gender Integration to ensure its effective implementation. The Group's mandate included developing gender criteria for use in project proposals, approval and evaluation; establishing monitoring procedures and providing information to various APEC fora on gender mainstreaming and gender analysis; compiling best practices on gender integration in regional economies; and providing recommendations on next steps in gender integration and implementation of gender mainstreaming.²⁴

In Latin America, Mercosur, which unites Argentina, Brazil, Paraguay and Uruguay in a regional common market, can also provide some lessons, if rather less encouraging ones. The pact was initially drawn up with no attention to social issues or the concerns of working people. Under pressure from organized labour, provisions for collective bargaining were introduced, especially vis à vis multinationals. While unions negotiated a place for themselves at the negotiating table, however, they joined the business community in resisting participation from other social sectors. Thus women, who tend to be concentrated in sectors of the economy that are not represented by trade unions, were not part of the process. In 1997, however, a Women's Commission was formed within the regional labour confederation, which issued a set of demands to both organized labour and government officials. Primary among these were the adoption of measures to eliminate all forms of discrimination against women, the ratification of all ILO agreements concerning women, and implementation of commitments in the Beijing Platform. Following a broad consultation process, involving NGOs, scholars and donor agencies as well as business, labour and government representatives a gender advisory unit was created within Mercosur, designed to ensure that gender issues are dealt with by the alliance's top decision-making bodies (Espino 2000).

As argued above, the effects of trade policies and trade performance are complex and vary not only among different economies but also across sectors and different classes of men and women. The impacts of trade agreements by gender or on people living in poverty are mediated by a whole host of factors related to the structural characteristics of the economy, to macroeconomic or labour market policies as well as trade policies, and to the ways in which gender relations permeate a specific economy. This makes it imperative that those responsible for trade policy investigate these relationships in a country specific context.

As in the case of trade and poverty, it may be argued that gender-based impacts of trade liberalization are due not to such liberalization but to persistent gender inequalities. It is of course true that gender-based inequalities have to be addressed through a range of policies, not just those concerning trade. It is equally important to remember, however, that trade policies themselves always have distributive effects, including those related to gender, that need to be addressed through fiscal policy.

At the same time, a deeper understanding of the relationships between gender and other inequalities and trade policies would help policy-makers understand why

the expected results from trade liberalization may not come about. This would enable them to take into account not only the complementary policy measures that need to be taken alongside trade but also the pace, scope and sequencing of trade liberalization or even continued protection in certain sectors. In some instances, the desire for global competitiveness may jeopardize gender equality, requiring trade-offs between gender equality and trade performance. In such cases, these trade-offs need to be made explicit in order to design alternative policies that ensure that successful export drives are not achieved at the expense of gender equality. Such an analysis can also reveal the kinds of actions that need to be taken at the global level.

Many trade-related issues have far-reaching implications for other areas, such as investment and competition policies. Since gender relations in fact permeate all economic structures, a gender analysis is necessary for all successful policy outcomes, including those in what are called trade-related areas.

Conclusions

The main arguments and conclusions that emerge from the analysis presented in this paper are:

1. The human development paradigm has put human rights, which include economic, social and cultural rights at the center of the development agenda, making it imperative to promote the human rights of women and other social groups that suffer from discrimination and social exclusion.
2. This paradigm has broadened the concept of poverty to include social inequalities (including those based on gender) and powerlessness, recognizing that while growth is important for poverty elimination, it is not sufficient and that poverty and social inequalities often retard growth.
3. Despite the argument that trade liberalization leads to higher growth rates, the evidence is inconclusive. Increased openness and the ability to export often follow growth (and human development) rather than the other way around. Furthermore, the impact of trade liberalization on trade performance and growth is mediated by many other factors, including social inequalities, technological capabilities, skills, macroeconomic and industrial policies, geography and infrastructure.
4. Orthodox trade theories predict that in developing countries, wages of unskilled workers should increase relative to skilled workers or the returns to labour should increase relative to returns to capital, while the opposite should occur in industrialized countries. However, studies have found that in many developing countries disparities between skilled and unskilled workers have increased, while in some countries, the poorest households have lost as a result of trade liberalization.
5. Gender relations and gender inequalities also mediate the relationship between trade policies and trade performance. In general, men and women experience the impacts of trade policies differently because of pervasive gender inequalities in economic life. Gender inequalities sometimes constrain the capability of countries to increase their exports while at other times they become an instrument of international competition.

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6. The gender-differentiated impacts of trade vary across different types of economies depending in part on the nature of gender and class relations. In general, an increase in the ratio of exports to GNP is associated with an increase in the share of women's paid employment. Insofar as paid work can help women's empowerment within the family and society, this may be interpreted as a benefit. However, there are many caveats. First, the conditions under which this increase has occurred are important. Expansion of women's employment has not led to a closing of gender-based wage gaps and the conditions of work do not seem to have improved. Women's jobs are still insecure and unstable, partly because expansion has occurred in an era of loss of power by workers as a whole vis à vis capital. Second, the overall increase in women's employment disguises the sectoral reallocations that mean some women, typically those with lower skill levels, lose employment and livelihoods while others make inroads into paid employment for the first time. Third, the trend can be reversed as countries move up the technology and product ladder in their manufactured exports. Fourth, women's incorporation into paid labour generally has meant an increase in their overall work burden as the increase in paid work is not accompanied by a reduction in their unpaid domestic work. Fifth, while women may be empowered within the family as a result of their status as paid workers, they still have less bargaining power vis à vis capital compared to men. Thus, trade expansion and trade liberalization have contradictory effects on women's well-being and gender relations.
7. The dimensions of gender inequality which constrain developing country exports include command and control over income and assets, including in land and credit. Other dimensions of gender inequality, most notably those related to wage gaps and working conditions, have been found to contribute to growth positively in semi-industrialized export-oriented countries. In these instances, export successes and growth come at the expense of gender equality and women's human rights and may result in long-term adverse effects on the terms of trade of developing countries.
8. Trade liberalization in particular and economic liberalization in general have constrained the fiscal and administrative capacities of governments to address the adverse social consequences of trade liberalization, leaving those who lose their livelihoods as a result of import competition without any social protection.

The policy implications of these findings are likely to be different in different countries and also depend on the dimension of gender equity that is being addressed. As the brief discussion above implies, the impacts of gender relations and gender inequalities on trade policy outcomes and the impact of trade policies on gender equity are complicated and work through different variables. More work is needed to investigate the dynamics of gender, poverty, trade and growth in specific country contexts. In addition, there is an urgent need for a wide dialogue among advocates, policy-makers and academics around issues related to women's and poor people's rights to ensure that poor women workers' rights, in particular, do not get shortchanged in the rush to a liberalized trade regime. More specifically:

- In line with the recommendations of the Beijing Platform of Action, there needs to be a greater gender awareness in the design and formulation of trade policies. There needs to be gender mainstreaming and capacity building with regard to gender awareness in trade ministries. The gender implications of all issues under negotiation should be fully assessed and discussed within regional and multilateral trade negotiations. One possible mechanism to further the understanding between gender and trade is the inclusion of gender assessments in trade review mechanisms.
- Gender awareness in trade policy formulation requires deeper and contextualized understandings of the interactions between gender inequalities, class-based inequalities and poverty, on the one hand, and trade policies and trade performance, on the other. Country-specific studies of the gender-differentiated impacts of trade policies as well as country-specific studies on the ways in which gender relations and inequalities affect trade performance are needed.
- The current trade and international financial regime privileges capital vis-à-vis labour and the rights of investors take precedence over the human rights of the large majority of citizens, especially those in developing countries. All institutions dealing with trade policies and governments need to be made accountable and transparent, and policy-making needs to be made democratic and participatory. Multinational corporations, which are major beneficiaries of the current trade regime, should be monitored more effectively and made accountable and socially responsible.
- Policy changes are unlikely to occur unless there is a substantive democratization of policy-making at all levels. In particular, the voices of women and poor people, which are largely missing from trade policy negotiations, need to be heard and respected. Consultations with working women's groups, including those representing workers in home-based industries and the informal sector need to be institutionalized.

The phenomenon of globalization, of which trade liberalization is a major component, has so far proven to be a brutal one for many. Long-standing critiques of market fundamentalism call for a 'humanization' of globalization (see Helleiner 2000). This needs to start with asking what are the rights of each and every human being and what obligations do those who are privileged have towards the fulfillment of these rights. It is only when we realize that there are human beings behind the commodities we consume that we can begin to build a truly humane world economy and society.

The voices of women and poor people, which are largely missing from trade policy negotiations, need to be heard and respected.

Notes

1. In practice, however, it is very difficult to devise such compensation schemes, as it is difficult to delineate the impact of trade from other economic forces and policies on patterns of income distribution.
2. For example, the Second People's Summit of the Americas Declaration in Quebec City, speaking as 'the voices of unions, popular and environmental organizations, women's groups, human rights organizations, international solidarity groups, indigenous, peasant and student associations and church groups,' proposed 'to build new ways of continental integration based on democracy, human rights, equality, solidarity, pluralism and respect for the environment' (Hemispheric Social Alliance 2001).
3. Poor people often depend on common property resources for their well-being. They increasingly depend on common property resources such as wild foods, building materials, medicines and fuelwood, both for consumption and for sale. Such resources serve as a safety net, especially for poor women; but the decline in environmental conditions and loss of access to these resources contribute to their vulnerability.
4. This point is important for understanding the role of growth in poverty reduction. If growth contributes to inequality, even when there is no increase in absolute poverty in the short or medium term, an increase in relative deprivation can lead to increased absolute deprivation as the affluent classes' command over resources and social power increases.
5. Gender refers to the social meanings constructed around sex differences; gender relations refer to the social norms and practices that regulate the relationships between men and women in a given society at a given time. Gender relations are not immutable; they change over time and vary across different societies.
6. For example, formal credit institutions discriminate against women, even though women are more reliable borrowers.
7. Research in rural Tanzania found that even men from the poorest households forbade their wives to take up wage labour (cited in Kabeer 1997).
8. Mainstream trade theory is based on several unrealistic assumptions, e.g., constant returns to scale, full employment, perfect mobility of labour and capital, perfect competition in all markets, given technology, smooth substitution between factors of production. If these are violated, predictions about trade flow determinants will not hold. In particular, one can have a case where both factors of production can lose or gain together. While more complex theories yield indeterminate results with regard to distributive effects, most policy discourses ignore these complications (see Ocampo and Taylor 1998; Winters 1999).
9. For a critique of this position, see Weisbrot et al. 2000; White and Anderson 2000; Rodrik 2000.
10. In practice, it is difficult to separate out the impact of trade liberalization, since it is often accompanied by capital account liberalization as well as macroeconomic stabilization policies.

11. The point is not that if policy-makers had a more complete checklist, they would be able to design a set of 'perfect' policies. Policy-makers do not exist outside the class and gender relations of a society as the state itself is an embodiment of these relations, while also being a site of struggle and contestation. The point is that posing a more complete set of questions would empower those who are striving to achieve social justice by encouraging social dialogue.
12. Wood (1991) finds that exports from developing countries do not lead to a disproportionate loss of employment by women in industrialized countries. But in a study of 10 OECD countries, Kucera and Milberg (2000) find that in most cases there was such a loss.
13. However, as Joekes (1995:30-31) points out his analysis does not take into account the secular rise in women's educational attainment relative to men.
14. For a broader analysis of fiscal policies in Latin America and their shortcomings in terms of social equity and protection of citizenship rights see ECLAC (1998; 2000).
15. See <http://www.ilo.org/public/english/standards/norm/whatare/fundam/index.htm>.
16. The latter, among other things, provides for maternity leave provisions whose costs would be covered by social insurance. It also prohibits pregnancy testing of prospective women workers.
17. A *New York Times* article about garment factories in Bangladesh quoted a factory owner saying: 'We still suffer from the legacy of the colonial times. We consider the workers to be our slaves, and this belief is made all the easier by a supply of labor that is endlessly abundant' (14 April 2001). In Bangladesh, as elsewhere, most garment workers are women.
18. Not all Southern governments are opposed to social clauses or discussion of trade and labour standards. South Africa supports such a clause, while Mauritius, Tunisia, Senegal, Malawi, Madagascar and Gabon support the debate on labour standards and trade in the context of the ILO.
19. For a review of the debate, see Lee 1997; see also Singh and Zammit 2000 who argue against linkage and ICFTU 1999 who argues for it.
20. ICFTU (1999) advocates cooperation between the ILO and WTO in the monitoring and enforcement of workers rights.
21. Although labour standards are associated with higher wages, the fear by some governments that this will discourage foreign direct investment (which leads to the relaxation of such standards in many cases) is not borne out, as higher standards also promote social stability (see Kucera 2001).
22. For the full text, see UN General Assembly, A/CONF.191/BP/2, 30 March 2001.
23. General Assembly Resolution A/RES/52/100 dated 12 December 1997 invites the WTO 'to consider how it might contribute to the implementation of the Platform for Action, including activities in cooperation with the United Nations system' (para 43).
24. The advisory group has also undertaken a sex-disaggregated data project. See, 'SOM Report to the Ministers on the Implementation of the Framework for the Integration of Women in APEC,' 2000; <http://www.apecsec.org.sg/workgroup/gender.htm>.

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Trade and Sustainable Human Development Project
Bureau for Development Policy
United Nations Development Programme
1 United Nations Plaza
New York, NY 10017
www.undp.org/bdp



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Nilüfer Çağatay

