



Asia-Pacific  
Economic Cooperation

---

## 13th ANNUAL MEETING OF THE WOMEN LEADER'S NETWORK - WLN



### Trade and gender in Latin America and Caribbean

Ekaterina Krivonos

---

## Trade and gender in Latin America and Caribbean

Ekaterina Krivonos

Division of International Trade and Integration

**Economic Commission for Latin America and  
the Caribbean (UN-ECLAC)**



CEPAL

- 
- Women play major, but often unrecognized roles in most economies, either as workers or as entrepreneurs.
  - Gender inequality hampers women's economic opportunities and welfare.
  - There is sufficient evidence of the positive impact of growth on gender equality, through education and employment.
  - But there is also a documented reverse relationship: women's incomes have a strong multiplicative effect on economic growth and poverty reduction

- 
- Agriculture, textiles and services are the sectors where women are most active.
  - Women often resort to production of goods or providing services on a small scale, either formally or informally: barriers to running a small business are typically low, and so are educational requirements

## Trade represents opportunities for women

---

Channels through which trade can benefit women and gender equality:

- Prices of goods and services produced and consumed
- New market opportunities for producers and service providers
- Employment and wages
- Government revenues and availability of resources for specific programs

## Trade liberalization in global and regional context can bring about benefits to women

---

- Trade liberalization lowers the barriers to trade and increases the demand in sectors with comparative advantage.
- Trade theory predicts that this benefits the factors used intensively in these sectors.
- For example, analysis shows that the textile and apparel sector in Central America will gain from CAFTA-DR: The earnings of unskilled workers in particular (most of whom are women) will increase through greater employment opportunities and higher wages.

In Nicaragua, employment of unskilled female wage earners is predicted to increase by 16% with CAFTA-DR and their wages are expected to be 4% higher, compared with only 1.5% for male unskilled wage earners. (IFPRI, 2007)

## Trade *facilitation* is more important than trade *liberalization*.

- Recent studies find that transaction costs affect trade flows more than tariffs
- The costs of logistics and the cumbersome procedures of importing and exporting place a heavy burden on micro, small and medium enterprises in particular

## Women's employment and income in export sectors

- Export processing zones

### Women's share of total employment in export processing zones (2003)

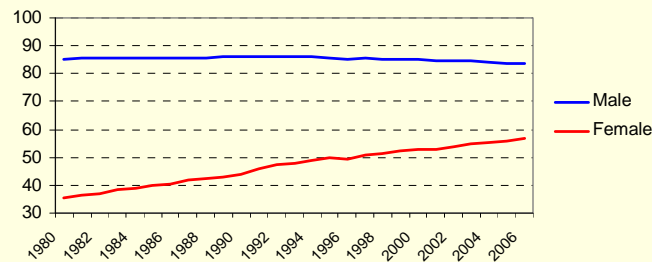
	Total employment	Female employment (%)
Dominican Republic	181,130	53
Guatemala	69,200	70
Honduras	106,457	67
Jamaica	20,000	90
Mexico	1,906,064	60
Nicaragua	40,000	90

Source: Trade and Gender, Opportunities and Challenges for Developing Countries, UNCTAD (2004)

- Agriculture  
In many agriculture-intensive economies more women work in the sector than men. Enabling women to move beyond subsistence farming and into market-oriented production is an important element of development strategy aiming at increasing the incomes of women

## In Latin America and Caribbean, women have become economically more active over time

LAC: Labor force participation rate



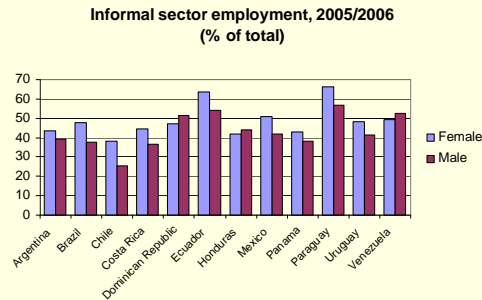
Source: World Development Indicators, WB

## However, women face particular barriers and challenges associated with trade and globalization

- Women lack access to resources to effectively participate in economic activity and trade: Women are less likely than men to own capital and land
- The negotiating power of women is typically weaker due to social norms
- Wage discrimination undermines women's participation in the labor force and therefore their benefits from trade
- Access to markets and services: Gender roles affect access to financing and technology and the ability of women to participate in global supply chains

## Informality and irregularity of employment

Women are more likely to find employment in the informal economy than men, which leaves them outside the legal and regulatory frameworks and social safety nets



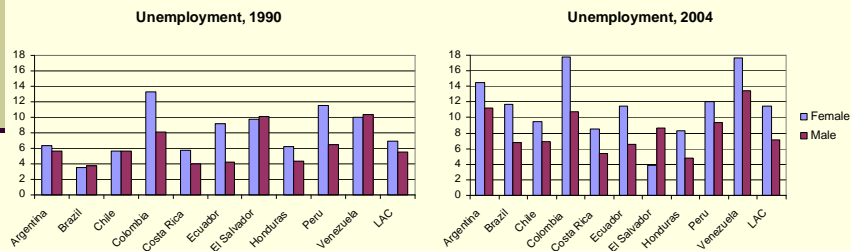
Source: ECLAC official data

## Factors that determine women's opportunities in trade

- Employment opportunities
- Wages
- Work conditions and quality of employment
- Access to resources
- Access to basic services

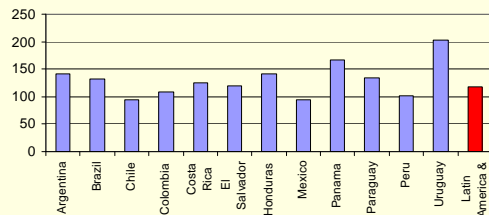
## The gender gap is persistent in Latin America

- The labor force participation rate of the male population in Latin America and Caribbean was 83.4% in 2006, compared to 56.7% among women
- Unemployment among women continues to be higher than among men



## Women are more likely to pursue higher education than...

Ratio of female to male enrollment in tertiary education, 2004

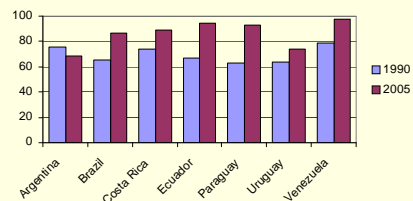


Source: World Development Indicators, WB

## ...But still end up earning less

Source: ECLAC official data

Wage ratio, female to male



## The challenges

---

- Although trade creates employment opportunities for women, they are often stuck in low-skilled, low-paying jobs
- To improve both the *quantity* and the *quality* of female employment, as well as business opportunities, gender-oriented policies and actions within a broader development strategy are needed.

## Areas of action to enhance women's benefits from trade

---

### Targeting female entrepreneurs

- Effective provision of information on market opportunities abroad, in particular in connection with free trade agreements.
- Enhance export orientation of firms through better trade-related services, export promotion and better access to export finance.
- Develop entrepreneurial skills of women and encourage creation of associations among women in exports.
- Targeted programs and special incentives for SMEs with high degree of female leadership, especially in the areas of innovation, development of human resources and establishment of commercial channels.

---

### Targeting agricultural producers

- Improve access to:
  - Resources, such as capital and land: strengthen women's land rights;
  - Extension services to increase productivity and to diversify crops;
  - Risk management instruments;
  - Timely market information and information on marketing opportunities.
- Encourage collective action through cooperatives of other forms of producer association.
- Promote women's participation in specific initiatives such as Fair Trade.

---

### Targeting salaried workers

- Programs to enhance labor mobility oriented towards women, in particular during transition to a new trading environment.
- Improve the quality of employment through stricter enforcement of labor market regulations and standards.
- Promote wage equality among men and women.
- Provide incentives and mechanisms to convert informal employment into formal

## Assuming an active role helps the process

---

### Networks of Fair Trade in Latin America.

#### Example:

In Chile, the Network of Fair Trade of the South, comprised primarily of Mapuche women, has as its primary objective to improve the quality of life for small producers (textile/agriculture) by creating commercial opportunities, obtaining fair prices and promoting associations.



## North-South trade agreements can have an important labor dimension

---

- As a step towards compliance with the labor provisions in CAFTA-DR, in 2004 the Ministers of Trade and Labor of Central America and agreed on necessary efforts to enhance the implementation and enforcement of labor standards and to strengthen the labor institutions (The White Paper).
- One of the six areas of actions identified is *Protection Against Discrimination in the Workplace*, targeting particular concerns that have been raised about workplace conditions for women, such as pregnancy testing, especially in those countries with a large maquila or free trade zone industry.

## In conclusion...

---

To make trade work for gender equality requires actions of both governments, the international community and women affected by trade.

THANK YOU.