



BRIEF

Integrating Gender in U.S. Trade Policy is the Smart Thing to Do

“Leveling the playing field for women to access international markets is not only the right thing to do but also the ‘smart thing’ to do for development, economic growth and business.”

— International Chamber of Commerce Secretary General John Danilovich¹

The United States’ (U.S.) trade policy has the ability to support gender equality, spur economic growth and create positive returns for U.S. trade. If women are able to participate equally in the economy, projections indicate that the global gross domestic product (GDP) will grow by \$28 trillion over 10 years.² According to the World Economic Forum, however, it will take 267 years to eliminate the global economic gender gap if more is not done.³ Trade offers numerous potential economic opportunities and benefits, yet women face greater barriers to accessing those opportunities and benefiting from trade.⁴ To see more robust growth, U.S. trade policy needs to account for these barriers,

build off others’ efforts,⁵ and become a global leader by integrating gender systematically in its trade policy, including trade deals, preference programs and multilateral engagement.

GENDER EQUALITY IN TRADE CAN PROMOTE ECONOMIC GROWTH AND DEVELOPMENT

Closing gender equality gaps results in immense economic gains. The World Trade Organization (WTO) has explicitly acknowledged the “key role” women play in economic development and the positive “snowball effect” economically empowering women has on development.⁶ Trade policy, if enacted in a gender-

sensitive and sustainable way, offers a direct and powerful means for economically empowering women globally, which in turn benefits the U.S. economically and provides a strong foundation for national security. The United States' 2017 National Security Strategy explicitly acknowledges the importance of women's economic empowerment:

“Societies that empower women to participate fully in civic and economic life are more prosperous and peaceful.”⁷

Eliminating gender discrimination globally would result in an estimated 40 percent increase in per capita productivity.⁸ Global GDP could increase by US\$5.3 trillion by 2025 just by closing the gender labor force participation rate gap, which would also increase tax revenues by almost US\$1.4 trillion.⁹ Research on corporate-led global supplier diversity initiatives demonstrates numerous benefits including increased revenues from requirements to source from women-owned businesses. This indicates that reducing barriers for women-owned businesses to participate in trade can have numerous positive economic impacts.¹⁰



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TRADE POLICY CAN PROMOTE GENDER EQUALITY

Trade policy has an opportunity to promote women's rights and labor force participation.¹¹ This requires effective regulation of trade so that barriers and impacts can be accounted for. Trade impacts women in different ways than men — as workers, consumers, entrepreneurs and business owners, and they face additional barriers in benefiting from trade policy.^{12,13,14} For example, women business owners and entrepreneurs face discriminatory laws and regulations that limit access to financial services or property rights.¹⁵ As a result, women-owned businesses trade less than those owned by men¹⁶ and earn less than 1 percent of global spending on products and services by governments and large corporations.¹⁷ For workers, increased trade causes some sectors to expand and others to contract, with women workers employed in sectors that are more vulnerable to trade shocks like the COVID-19 pandemic.¹⁸ Although on

average globally, exporting firms employ higher shares of women workers than non-exporting firms,¹⁹ their employment is often lower-paid and in worse working conditions. Moreover, they often lack social protections, job security and advancement opportunities compared to male workers. This is due to discriminatory social norms, laws and practices, including restrictions on jobs women are legally allowed to work, fewer opportunities for skill acquisition and disproportionate responsibilities for unpaid care work.^{20,21}

Though there has been an increase in acknowledgement of the importance of gender in trade, in most cases gender is not integrated in trade policy or agreements, or if it is, the commitments are not binding.²² When trade and gender equitable outcomes are seen as separate goals, rather than using trade as a tool to foster gender equality and sustainable and inclusive development, not only is it a missed opportunity for growth but it can perpetuate inequalities.^{23,24}

RECOMMENDATIONS

To ensure inclusive economic growth, gender needs to be systematically integrated into U.S. trade policy and agreements. The Biden-Harris administration should work with Congress, where authorization needs to be updated or additional appropriations are needed, to establish a U.S. trade policy that no longer ignores half of the global population. The United States should start with the following actions:

1. Integrate Gender Throughout U.S. Trade Policy and Multilateral Agreements:

All trade agencies should conduct gender analysis and/or gendered impact assessments for all trade policies, including trade agreements and preference programs. Trade policies should have gender-sensitive designs, implementation, evaluation and accountability mechanisms. The U.S. should encourage and support similar efforts in multilateral spaces and, as a first step, endorse the Joint Declaration on Trade and Women's Economic Empowerment.²⁵

2. Appoint Gender Experts as Trade Personnel:

The U.S. Trade Representative (USTR) should name an Assistant Deputy USTR on Women's Rights to lead efforts on integrating gender equality into trade, including working with women and civil society as part of the decision-making process. USTR and other agencies should invest in staffing, monitoring, enforcement and capacity building for gender equality, both within USTR and in countries to ensure

that resources and technical understanding positively support trade efforts and equitably include women.

3. Lead the World with Binding Commitments to Women's Rights and Gender Equality:

USTR should incorporate binding commitments on gender including women's rights, equal protection under the law, and non-discrimination in future trade agreements and trade preference programs. Provisions should be consistent with the International Labour Organization (ILO) Conventions on non-discrimination and violence and harassment.²⁶

4. Unlock Growth and Opportunity by Addressing Gendered Barriers:

USTR should work with relevant agencies, including development agencies, on programs to address the barriers women face in benefiting from and participating in trade. This should include reforms that reduce trade costs for smaller enterprises, bridge the digital divide, diversify global supply chains to include more women- and minority-owned businesses, and promote and support responsible business conduct within global value chains.^{27,28}

5. Improve Data Collection:

Collect sex-disaggregated statistics on the impacts of trade, with an intersectional lens where possible, in order to properly assess impacts and make informed policy. Include more indicators, especially those related to gender and the environment, in assessing the success of trade policies, rather than a narrow set of economic indicators.²⁹

SUGGESTED CITATION:

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- 26 See [ILO C190-Violence and Harassment Convention](#), [C111-Discrimination \(Employment and Occupation\) Convention, 1958](#), and [C100-Equal Remuneration Convention, 1951.](#)
- 27 For an example of a framework for responsible business conduct, see the [OECD Guidelines for Multinational Enterprise.](#)
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