

Trade facilitation through a gender lens

A South Asian perspective

Strengthening the value chains of female-dominated sectors with potential for intra-regional trade would boost the participation of women in cross-border trade.

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Furthering the objectives of the Joint Declaration on Trade and Women's Economic Empowerment at Buenos Aires in 2017, the upcoming Twelfth Ministerial Conference (MC12) of the World Trade Organization (WTO) is expected to commit its members to mainstream a gender equality perspective in Aid for Trade programmes. It is also expected to mandate increased gender-disaggregated data collection and assign the WTO Secretariat a role in coordinating trade and gender research, including on the impact of the COVID-19 pandemic on women.¹

Trade liberalization policies have boosted the export sector of developing economies, thereby creating jobs, providing better wages, increasing access to education and technology, and providing other benefits for men and women. The classic case is of Bangladesh, as it witnessed a significant increase in female employment in its labour-intensive export-oriented garment industries that extensively

contributed to the country's economic growth. The World Bank report reveals that women constitute 33.2 percent of the workforce of firms that trade internationally, compared with just 24.3 percent of non-exporting firms and 28.1 percent for non-importing firms.²

South Asian context

The Female Labour Participation Rate (FLPR) in South Asia is 22.4 percent³ (see Table 1), though the region is one of the fastest-growing economies of the world. Limited presence of women in the labour market than men creates the economic participation and opportunity gap⁴ at country level as shown in Table 1. The FLPR for India is the lowest among South Asian countries, closely followed by Afghanistan and Pakistan.

South Asia is the second-lowest performer on the Global Gender Gap Index⁵ following the Middle East and North Africa. The wide disparity in

the region's performance is evident from the ranking of Bangladesh (65) and that of Afghanistan (156), the latter being the least scorer of the 156 countries covered by the index. South Asia's poor performance in the gender indices is primarily due to the low indices for economic participation and opportunities and political empowerment.

Women's restricted participation in economic activities in South Asia is attributed to the various legal, regulatory and societal barriers they face. Limited access to finance, productive resources and institutions, mobility constraints, unpaid care work, and limited partaking in the decision making are prominent causes that stifle women's economic participations. As an endeavour to address these barriers worldwide, former US President Donald Trump launched the Women's Global Development and Prosperity (W-GDP) Initiative in 2019.



The W-GDP initiative focuses on five foundational areas of legal reforms to provide women with equal opportunities to access institutions, access credit, own and manage property, travel freely, and work in occupations and jobs of their choosing. These foundational areas encompass five

sub-indices viz., travel index, employment index, institutions index, credit index, and property index that make up W-GDP index.

A higher score for the travel index denotes that there are no legal constraints on the mobility of women, including restrictions on obtaining

passports based on sex. Similarly, the property index indicates restrictions on women possessing and managing property, including limitations on inheritance and the ability to transfer purchase, or lease property. The data in the Table 2 reveals that except Bhutan, India and Sri Lanka, all other countries in the region have a low score of 40, indicating the gender dimensions of property inheritance and ownership.

While the employment index indicates gender-based barriers that limit working hours, occupations, or tasks based on sex, the credit index indicates accessibility to credit and capital to start and grow their businesses. No restrictions exist in South Asia on the institutions index which is about women's authority to sign legal documents, and unequal access to courts and administrative bodies, whether officially or through a lack of proper enforcement.

Table 1

Female workforce in South Asia

Country	FLPR (2019)	Global gender gap index rank (2021)	Global gender gap index rank on economic participation and opportunity (2021)
Afghanistan	22	156	156
Bangladesh	36	65	147
Bhutan	59	130	130
India	21	140	151
Maldives	42	128	138
Nepal	26.3*	106	107
Pakistan	22	153	152
Sri Lanka	34	116	132

Source: Global Gender Gap Report 2021. World Economic Forum. *Nepal's female labour force participation rate is obtained from Nepal Labour Force Survey 2017/18, Central Bureau of Statistics, Government of Nepal.

Even when women are engaged in economic activities, they tend to be involved in the lowest levels at low-skilled jobs or home-based enterprises in the informal sector. Ownership of businesses in the formal sector is disproportionately in the hands of men. Even when women own businesses they are mostly cottage and small enterprises. Most of the products coming from the cottage and small enterprises are targeted towards the local domestic market. A recent study conducted by CUTS International⁶ and its partners in Bangladesh, Bhutan, India and Nepal (BBIN) also corroborated that women's involvement in cross border trade are mostly in the informal sector due to the low volume of production and constraints they face in meeting cumbersome trade procedures. While handloom, handicrafts, and food-processing are the areas dominated by women in the manufacturing sector, tourism and hospitality are the major services wherein women are engaged.

Impact of COVID-19

The outbreak of COVID 19 and the subsequent lockdown has disrupted the existing supply and value chains, domestic production networks, services and trade. On the supply side, this has led to a decline in production, while on the demand side, a plunge in earnings, employment loss and disposable income and savings have shrunk the overall demand for goods. The sealing of international borders has adversely affected the cross border

trade and border markets in the BBIN sub-region. Women in international border areas used to depend on these border markets and border *haats* for trade-related activities.

A study done by CUTS International also highlighted that the increased care work at home and the impending financial crisis have created lots of stress for women while handling the dual roles.⁷ The female labour participation rate in urban India dropped to 15.5 percent (April–June, 2020), marginally increased to 16.1 percent (July–September) and then to 20.8 percent during October–December 2020 quarter.⁸ Apprehension about travelling to work and thereby exposing the families to the risk of infection is an important factor behind women dropping out of jobs during the peak of the pandemic.⁹ Families, relatives and friends proved to be the immediate source of financial help for women.

The impact of the pandemic in consumer-facing sectors like tourism, hospitality, retail, education and child care services was hard-hitting and disproportionately affected women, due to their predominance in these sectors. Even the economic stimulus packages announced by the national governments were not accessible to many women as the banks were reluctant to give loans. It is important to mention that many women switched to digital platforms to reach out to their customers. But South Asia has the highest digital gender divide than any other

region, where women are 38 percent less likely to own a mobile phone; the issues of digital infrastructure and accessibility also follow in.¹⁰

Plausible measures

Given the diversity and complexities of the challenges faced by women entrepreneurs before and amidst COVID-19, a multipronged approach is advisable for their speedy recovery from the shock of the pandemic, as well as to increase their participation in trade. As the international borders are opening up and travel restrictions are being lifted, those sectors which are directly impacted, such as consumer-facing services sectors, are slowly getting back on feet. However, the businesses/enterprises that had to remain closed during the pandemic would still need economic packages for revival.

The recovery packages need to be designed keeping in mind the W-GDP sub-indices discussed earlier, particularly the property index, employment index, institution index and credit index. Moratorium on loan repayments, interest-free loans, capital subsidies, subsidies on raw material, concession in electricity and water tariffs and other fixed costs, and tax benefits can help women meet their immediate financial needs. Providing unconditional cash transfers and facilitating microfinance can assist women traders in the informal sector. Flexible working hours and ensuring supporting services for child care would enable women to carry their dual responsibilities of looking after their homes and earning a living.

As countries are increasingly participating in trade agreements to facilitate international trade, the gendered impact of such treaties should not be ignored. Ex-ante impact assessments of trade agreements on expanding and shrinking sectors need to be undertaken to analyze the possible impact of trade agreements on male/female labour participation. Necessary reforms are to be adopted if those agreements are to have a gender impact.

It is important to capitalize on the emerging opportunities in trade

Table 2

W-GDP indices of South Asian countries

Countries	W-GDP index	Travel index	Property index	Employment index	Institutions index	Credit index
Afghanistan	54.7	50.0	40.0	16.7	100.0	66.7
Bangladesh	68.0	100.0	40.0	33.3	100.0	66.7
Bhutan	82.7	100.0	80.0	100.0	100.0	33.3
India	82.7	100.0	80.0	66.7	100.0	66.7
Maldives	88.0	100.0	40.0	100.0	100.0	100.0
Nepal	78.0	100.0	40.0	83.3	100.0	66.7
Pakistan	56.3	75.0	40.0	33.3	100.0	33.3
Sri Lanka	79.3	100.0	80.0	50.0	100.0	66.7

Source: *The W-GDP Index: Empowering Women's Economic Activity through Addressing Legal Barriers. 2020. The Council of Economic Advisers, Executive Office of the President of United States.*

and services to embed parity into the future by balancing efforts between the demand side of growing jobs and the supply side of future-ready skills. Skill development/enhancement programmes need to be conducted for up-skilling the female workforce to cater to the needs of technological intervention.

Education is the way forward; digital technology has to be included in educational institutions for girls to improve their skills in Science, Technology, Engineering and Math (STEM), which are traditionally dominated by male students, to enhance employability across industries in India and around the world.

Government and civil society organizations can organize customized training programmes on digital technology for aspiring women entrepreneurs. Apps and digital tools that focus on women are to be designed for greater acceptance. Other than access and affordability, online safety has to be assured to prevent online harassment and scams.

CUTS study has revealed that most of the women aren't aware of the procedures involved in international trade. Focused awareness generation workshops for women in specific sectors regarding business registration and trade procedures would enable them to take part in formal trade. Improved knowledge of certification of products/standards and packaging requirements is also relevant particularly for women involved in food processing.

Strengthening the value chains of female-dominated sectors with potential for intra-regional trade would boost the participation of women in cross-border trade in South Asia. Access to productive resources, cross-border markets, transportation infrastructure, elimination of non-tariff barriers and creating trade networks would provide an enabling environment for intra-regional value chains.

Engaging with customs and border agencies to promote gender-friendly cross-border trade practices would ensure a conducive environment for



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women who are engaged in cross border trade.

Bridging the gender divide in South Asia in terms of knowledge, technology and opportunities is crucial to ensure better participation of women in trade and other economic activities. Efforts and resources are to be channelised towards this end for sustainable and inclusive development and post-pandemic recovery in South Asia. ■

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Notes

- 1 IISD. 2021. "WTO Heads for a Ministerial Declaration on Trade and Gender". <https://sdg.iisd.org/commentary/policy-briefs/wto-heads-for-a-ministerial-declaration-on-trade-and-gender/>
- 2 World Bank and World Trade Organisation. 2020. *Women and Trade: The Role of Trade in Promoting Gender Equality*. Washington, DC: World Bank.
- 3 Female labour force participation rate data obtained from <https://data.world-bank.org/indicator/SL.TLF.CACT.FE.ZS>
- 4 World Economic Forum. 2020. *Global*

Gender Gap Report 2020. Geneva: World Economic Forum.

- 5 World Economic Forum. 2021. *Global Gender Gap Report 2021*. Geneva: World Economic Forum.
- 6 CUTS implemented the project 'Gender Dimensions of Trade Facilitation: Evidence from Bangladesh, Bhutan, India and Nepal' with the support of the Foreign, Commonwealth and Development Office, UK and in partnership with Bangladesh Women Chamber of Commerce and Industry; Bhutan Media & Communications Institute; and South Asia Watch on Trade, Economics and Environment, Nepal.
- 7 CUTS International. 2021. *Impact of COVID-19 on Women Entrepreneurs in the BBIN Sub-region*. Jaipur: CUTS International.
- 8 Sharma, Yogima Seth. 2021. "Labour Survey rejig to measure women participation better". *The Economic Times*, 27 September 2021.
- 9 First Post. 2021. "Despite low female participation in the workforce, why more women are facing unemployment in the pandemic, explained". *First Post*, 21 July 2021.
- 10 IFC's Work on Gender in South Asia. https://www.ifc.org/wps/wcm/connect/region_ext_content/ifc_external_corporate_site/south+asia/priorities/gender_in_southasia.