

CUTS International's Session on

Impact of COVID-19 on Women Traders in Bangladesh, Bhutan, India and Nepal

World Trade Organization's Aid-for-Trade Stocktaking Event 2021

25
March 2021
Thursday
 09:30 - 11:00 (CET)
 14:00 - 15:30 (IST)



1. Background

- 1.1 Women's participation in trade and trade-related activities in Bangladesh, Bhutan, India and Nepal (BBIN) needs special attention in the wake of the COVID-19 pandemic. Women in this sub-region are majorly concentrated in the micro, small and medium enterprises (MSMEs), which are currently bearing the brunt of the crises. Similarly, the closure of international borders, shutting down production units, travel restrictions and sluggish demand due to the COVID-19 outbreak has impacted women and women entrepreneurs engaged in cross-border formal and informal land trade.

- 1.2 The pandemic has also resulted in the closure of ‘Border Haats’ that are functional along the international border between India and Bangladesh, thereby cutting off a more accessible consumer goods source to marginalised communities, particularly women.
- 1.3 Whether by design or chance, the exclusion of women is not just an issue of women's rights but also outlines unaffordable economic losses for the countries that make up this vast and populous region.
- 1.4 Drawing insights from the on-going projects ‘[Gender Dimensions of Trade Facilitation Agreement: Evidence from Bangladesh, Bhutan, India, Nepal](#) (GeTRaF) and ‘[Border Haats between India and Bangladesh as a tool to reduce informal cross-border trade](#)’, supported by the United Kingdom’s Foreign, Commonwealth and Development Office (FCDO) under its Asia Regional Trade and Connectivity Programme (ARTCP), CUTS International hosted a session as part of WTO’s [Aid-for-Trade Stocktaking Event](#) during March 23-25, 2021.
- 1.5 The session was organised virtually on Zoom platform to deliberate on the impact of COVID-19 on women traders in both the formal and informal sector and discussed the possible measures to build their resilience under similar situations of economic shocks in the future. There were more than 80 participants from 16 countries worldwide, of which 51 per cent were female and 49 per cent were male.

Moderator

Bipul Chatterjee, Executive Director, CUTS International

Speakers

- Kamala Gurung, Gender and Natural Resource Management Specialist, International Centre for Integrated Mountain Development, Kathmandu
- Cyn-Young Park, Director, Regional Cooperation and Integration Division, Economics Research and Regional Cooperation Department, Asian Development Bank
- Mandakini Kaul, Senior Regional Cooperation Officer for South Asia, The World Bank Group
- Selima Ahmad, Member of Parliament, Bangladesh and President, Bangladesh Women Chambers of Commerce and Industry
- Kunzang Lhamu, Director General, Department of Employment and Human Resources, Ministry of Labour and Human Resources, Royal Government of Bhutan
- Anoush der Boghossian, Head of Trade and Gender, WTO

2. Key Discussion

2.1 Gender Dimensions of Trade Facilitation

- 2.1.1 Prolonged dialogues on trade facilitation have emphasised gender-neutrality; however, the ground reality is the opposite. For a post-pandemic economic recovery, building resilience and implementing positive discrimination in favour of women entrepreneurs is vital.
- 2.1.2 Women entrepreneurs are disproportionately affected by COVID-19 due to the business's nature that they are heavily concentrated on and the prevailing uncertainties. Tourism is one such sector severely impacted by the pandemic and has implications on other sectors, such as handlooms and handicrafts through its backward and forward linkages. Women entrepreneurs are much more vulnerable to dealing with the risks of uncertainty.
- 2.1.3 There is extensive evidence to show that countries that are more open to giving women the opportunities have positive economic outcomes. However, the link between gender equality and trade is missing. Findings of research conducted by the World Bank reveal that - (i) trade can dramatically increase women's lives by creating new jobs, choices and increased bargaining power, (ii) countries with the more favourable economic environment for women have low gaps in wages, leading to increase in economic equality and (iii) digital technology and virtual platforms are opening a new opportunity for women to overcome traditional trade barriers.
- 2.1.4 It is essential to bring new understanding and solutions to overcome longstanding trade facilitation and barriers and spotlight the negative impact of connectivity and infrastructure that may affect women's economic empowerment.

2.2 COVID-19 Impact on Women in MSMEs and Informal Sector

- 2.2.1 Since most of the enterprises in the BBIN sub-region are in the informal agriculture sector, female workers involved in these enterprises are heavily impacted by the pandemic. In India, 36 million MSMEs employ 60 million people, while in Nepal, MSMEs generate over two million jobs and contribute 22 per cent of the country's gross domestic product. Women workers also face daunting challenges due to the wage gap between male and female employees.
- 2.2.2 The pandemic has led to "SHE-cession" because employment and labour force participation has dropped significantly for women. Around 40 per cent of women employed in industries such as; manufacturing (textile and garments), hospitality services, wholesale and retail trade, real estate, business and administrative activities are severely affected by COVID-19. Women are highly

concentrated in low-skill labour jobs in the manufacturing and traditional services sector, health and social sector.

- 2.2.3 The Asia Pacific also has significant participation of women in the informal sector, i.e. 65 per cent, which is more than the global average of 60 per cent. Women in South Asia and other regions can be very likely over 90 percent in the informal sector compared to the high-income economy like Japan, Korea, and Brunei.
- 2.2.4 Labour market participation during COVID-19 lockdown in the formal manufacturing sector was meagre in BBIN countries in general and India and Bangladesh, particularly in comparison to some East Asian countries such as Indonesia, Thailand, and Vietnam. Many women entrepreneurs who entirely relied on international trade fairs and border markets were impacted by travel and transportation restrictions. The Border Haats, an initiative to promote the livelihood of women living in border areas, was also shut down due to COVID-19.
- 2.2.5 Further, mental health issues due to lockdown have increased, leading to more violence and discrimination against women and young girls, including sexual abuse, transactional sex, unplanned pregnancies, early marriage and dowry. Increased care work at home has contributed to the mental stress of women in the midst of financial crises due to loss of jobs.

2.3 How is the Impact on Women Different from Men?

- 2.3.1 COVID-19 has perpetrated the existing disadvantage in the workplace and household, leading to an uneven impact on men and women. Women before COVID-19 were discriminated against and bounded by cultural norms. They are at a disadvantage when it comes to opportunities, wages, academic and financial literacy, and technology access. It was highlighted that higher-income Asian countries such as Singapore, the Republic of Korea and Japan exhibit lower discrimination and inequality than South and Southeast Asia.
- 2.3.2 In general, men are more susceptible than women to COVID-19 due to comorbidity factors. However, women have also become vulnerable to the disease, especially those engaged in industries that require more human-to-human interaction such as healthcare, personal care, hospitality, and tourism.
- 2.3.3 Women are also much less likely employed in STEM (Science, Technology, Engineering, and Mathematics) and professional jobs that allow work from home to maintain a distance but are concentrated in the informal sector that was heavily hit. Thus, women are more vulnerable to losing jobs and contracting the disease.

- 2.3.4 The engagement of women entrepreneurs is in smaller businesses and they work in low return sectors, for example, agriculture. Due to border closure, there is a complete disruption in the undervalued market in developing countries. Food and livestock products go mainly into the informal markets. For example, 80 per cent of livestock products are in informal food markets in developing countries.
- 2.3.5 Reports have shown increased domestic violence – physical, emotional and sexual abuse. Economic hardships pushed families to marry off their daughter and engage in transactional sex. The issue of gender-based violence is under-reported in BBIN countries. There were also cases in South Asia wherein the inability to pay dowry has delayed marriages.
- 2.3.6 Women accounted for only a quarter parts in the decision-making process of recovery programmes and packages formulated by different governments. They are over-represented in many sectors with low returns but high risks like the hospitality industry.

2.4 Role of State and Non-state Actors

- 2.4.1 In Bangladesh 200 billion takas were announced by the government as a stimulus relief package, of which 5 per cent was reserved for women entrepreneurs. A survey conducted by the Bangladesh Women Chamber of Commerce and Industry reveals that among 7000 women entrepreneurs, almost 80 per cent did not receive any direct financial support from the government agencies. Existing power imbalances in the society prevented the packages from reaching the proper beneficiaries. There is a need to provide an enabling environment for women entrepreneurs in Bangladesh and other countries for their speedy recovery from economic shock due to the pandemic.
- 2.4.2 The government can create an enabling environment through relief measures, safety protocols, social safety mechanisms, capacity building and liquidity support. Furthermore,, civil society organisations can undertake evidence-based advocacy, raise awareness about various government programmes and organise capacity-building programmes on financial literacy and digital technology. The private sector can promote women entrepreneurs through the strengthening of supply chains.
- 2.4.3 Joint efforts by state and non-state actors through trade facilitation efforts, data collection and success stories, wide dissemination of research findings, awareness generation, capacity building, and representation of different voices can lead to positive changes.

3. Major Recommendations

- Protective measures for women workers/labour through; insurance, workplace safety, skill up-gradation, livelihood diversification, financial literacy, and education for their children
- Supporting women-led businesses by ensuring equal access to financial and non-financial services, access and use of digital technologies and platforms.
- Stimulus packages including conditional and unconditional cash transfers, food subsidies and technical assistance for women entrepreneur and workers
- Create gender-responsive education by ensuring girls has equal access to quality, relevant and safe educational practices. Further encourage girls to take up STEM to narrow gender gaps through skill development and job creation.