

Gender in Global and Regional Trade Policy: Contrasting Views  
and New Research.

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Title: Gender and Economic Partnership Agreements

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Session Five, Economic Partnership Agreements – What are the  
Gender Issues?

Work in progress. The final report will be released in June 2006.

Comments welcome.

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## INTRODUCTION

This paper presents some observations from ongoing One World Action research into the likely impact of the proposed EU Economic Partnership Agreements on women's livelihoods in Mozambique, Namibia and Zambia. In 2005, One World Action decided to undertake this research as part of its broader programme of work on trade and poverty. Since 2002, we have been working with partners in Southern Africa engaged in processes around the Cotonou Agreement. Our *Voices Influence and Access Project* (VIA) works with partners in Angola, Mozambique, Namibia, Zambia and Zimbabwe to build civil society capacity to influence trade and aid negotiations between their governments and the European Union in the interests of sustainable and equitable development. The project is working with NGO networks, women's networks and trade unions to support and strengthen their direct engagement in Cotonou and other related trade and development processes. A key issue arising from the VIA project is the lack of gender analysis in debates on trade liberalization and especially now on EPAs despite political commitments to gender equality in the Cotonou Agreement. One World Action designed and developed the gender project with this in mind.

The project called *Gender and Cotonou: Implications of the Economic Partnership Agreements for Gender Equality* examines the likely impact of the proposed EU Economic Partnership Agreements (EPAs) on women's livelihoods in Namibia, Mozambique and Zambia. It aims to make recommendations on how to include gender analysis more systematically in trade negotiations in order to ensure that EPAs promote, and not undermine, women's rights and gender equality. Our research focused on one key export product in each country and attempted to examine how women's livelihoods will be affected if an EPA resulted in further liberalisation of that sector.

Initially we wanted to look specifically at the implications of EPAs for sectors where women predominate, for example, small farmers, food processing factory workers, the informal sector, and cross-border traders. Later we decided that we also needed to look at sectors that were male-intensive as there are often important indirect effects for women. The chosen products included beef in Namibia, cut flowers in Zambia and sugar in Mozambique.

We are aware that the chosen sectors might not de facto be affected directly by reciprocity but that there may be indirect effects for example through loss of revenue or costs of adjustment, as a result of liberalisation in another area. Further, we wanted to provide an argument for positive development support that must be provided in order to make an EPA developmental. We are aware that much current research and thinking focuses on the negative effects of reciprocity. We support this work but also argue that we need to ensure that the EU provides positive development support to countries in order to make EPAs worthwhile. Also while the StopEPA campaign launched in 2004, which focuses largely on the reciprocity argument, brought much public attention to this issue, we want to contribute to *engendering EPA processes and, where necessary, promote awareness of gender-responsive alternatives*. From this research, One World

Action will make recommendations on what measures need to be in place to ensure that women benefit from EPAs in these countries.

## **CONTEXTUAL BACKGROUND TO THE PROJECT**

Negotiations are in progress between the European Union and the regional groupings of countries in Africa, the Caribbean and the Pacific (ACP) to establish Economic Partnership Agreements (EPAs). Formal negotiations for EPAs at the level of all ACP countries started in September 2002 and are due to end in 2007. At present no finalized EPA exists so it is only possible to make some assumptions, based on negotiating mandates, on what might be included and how different agreements will impact women's livelihoods. However, given where women are located in both the formal and informal economy, their role in social reproduction and levels of gender inequality in households and communities, it is fair to say that EPAs will have a profound impact on their lives. A review of EPA negotiations is set to take place in 2006 providing an important opportunity to assess whether the agreements will become genuine development tools or simply free trade agreements.

Debate on the potential impact of EPAs abounds. The EU argues that EPAs will facilitate economic integration of ACP countries which will eventually lead to poverty eradication. They argue that reciprocity in market access will increase competition and lead to economic growth and, to this end, EPAs are development-centred agreements designed to stimulate such growth.

On the other hand, critics argue that EPAs are simply free-trade agreements designed to ensure EU access to developing country markets. They argue that EPAs will require ACP countries to provide reciprocal market access to EU imports in a time scale that will make it difficult for them to compensate for loss of tariff revenues and deal with supply side constraints that prevent their producers competing successfully with EU imports.

There is a large amount of analysis<sup>1</sup> to support the view that EPAs could undermine progress towards poverty reduction and development. It is argued that EPAs, in their current form, would lead to new and unfair trade areas between the EU and regional groupings of ACP countries by demanding reciprocity between unequal trading partners; reducing policy space that ACP countries need to develop their economies and eradicate poverty; resulting in loss of revenue which would affect delivery of public services; and undermining regional integration. There are further concerns that the pace of negotiations do not take cognizance of the capacity of ACP countries, and that participation in the negotiations by non-state actors, has been almost entirely restricted. Such EPAs would negatively impact poor people, especially women, who are most vulnerable to rapid and increased trade liberalization.

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<sup>1</sup> See for example, research by Action Aid (Trade Traps) 2005, European Research Office, Christian Aid (The economic of failure. The real cost of 'free' trade for poor countries) 2005, Aprovev's work on EPAs in Zimbabwe (EPAs: What's in it for women?)

One World Action is interested in ensuring that EPAs promote, and not undermine women's rights and gender equality. Our analysis is that international trade can contribute to poverty reduction but only if the benefits are equally distributed. One World Action sees trade as a driver for economic growth and poverty eradication but only if it is just. We want to see trade rules applied equally to Northern and Southern countries. We also recognise that trade cannot alone result in better standards of living for poor people. It needs to be buttressed with respect for core labour standards, greater gender equality and recognition of the care economy.

## **ONE WORLD ACTION'S ANALYSIS**

Our analysis is that international trade can contribute to poverty reduction but only if the benefits are targeted to the poorest. A recent World Bank report evaluating the Bank's contribution to freer trade argues that 'liberalizing trade alone is not enough to generate growth and fight poverty. If countries are to benefit from trade there needs to be investment and positive development support too.' Vinod Thomas, IEG's Director-General said, 'The World Bank has done the right thing in promoting more open trade worldwide, but not necessarily done everything right to help generate the desired payoffs.'<sup>2</sup>

Those working on aid, trade and gender have been making this argument for a long time. Globally, women are disproportionately affected by poverty and often bear the brunt of unfair trade policies through insecure and vulnerable forms of employment, low wages and exploitation of care work. In the past two decades there has been much more thinking on the impact of trade policies on women's poverty emphasising social reproduction, or the care economy, employment access and labour conditions. Despite this body of knowledge, most discussion on trade and macro-economic policies has little or no gender analysis. Our research shows that in trade policy and trade negotiations gender, or even social impact, analysis is excluded. The importance of gender analysis is that it encourages a broader conception of poverty, which transcends material deprivation based on income and consumption measures and involves an analysis of social relations, power and entitlements.<sup>3</sup> In their paper, Barrientos and Kanji provide an overview of the different analytical approaches that underlie current debates on trade and poverty. They are: the aggregate economic perspective that informs most trade debate, the context specific livelihoods perspective supported by donors like DFID, and the more progressive value chain, gender and sustainable environment perspectives.

In our research we attempted to link some of these different perspectives. Our overall analytical framework was a gender and sustainable development one, but we wanted to ensure that our research would be accepted by trade policy analysts, economists and negotiators making the decisions. So we sought the help of four specialists in the fields of economics, trade, gender and trade, and EU/ACP relations whose advice focused on ensuring that we were making analytically sound arguments – we call this economics

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<sup>2</sup> Financial Times, March 2006. 'World Bank focus on Trade 'too narrow'. Alan Beattie, World Trade Editor

<sup>3</sup> Barrientos and Kanji. 2002. 'Trade Liberalisation, Poverty and Livelihoods: Understanding the Linkages'. Review for the African Policy and Economics Department. DFID UK. IDS. University of Sussex.

proofing<sup>4</sup> The advisers have provided invaluable support to the research thus far. More importantly, it has shown how different approaches (grass roots and economic) to trade and poverty can be combined to advocate for gender-aware trade policy.

Our research methodology was qualitative and quantitative and included desk research, interviews, field work and synthesis. The desk research involved a review of relevant on line materials relating to the topic. The consultants then interviewed different stakeholders from relevant institutions and in all cases, farming communities. The synthesis and report writing brought together all the information collected through the different activities, evaluated their significance and drew conclusions and recommendations.

Because One World Action is interested in how poor women would potentially be impacted by EPAs, questions covered the following areas:

- Where are women in the formal and informal economy relative to men?
- What levels of employment/ unemployment exist among women relative to men?
- What kinds of national policies/ strategies are in place to address poverty, unemployment?
- In what ways precisely is the sector affected directly or indirectly by import and export trade? What is the impact on women relative to men?
- How does current trade policy and other government trade related policies (e.g. on marketing inputs and outputs) affect the situation – how are things different now because of these policies than the way they would be without those policies; what is the relative importance within this group of policies of the ones that might be changed in an EPA? How would women be impacted relative to men?
- How will the status quo change if the current policies are altered in the way that may be necessary under an EPA? What would this mean for women relative to men?
- Are there other policies (not affected – or not necessarily affected – by the EPA) that could be used to offset any adverse effects identified in the previous bullet?

Our research objectives were therefore twofold. First, to provide civil society and other advocates on gender and trade with solid analysis and information on which to base their advocacy at national level. Second, to provide our partners and others with information for awareness-raising amongst their constituencies of the importance of EPA trade negotiations showing links between their daily economic life and the wider trade agenda.

The paper will now turn to some overall findings of the research and then move on to some specific examples from the three studies.

## **KEY FINDINGS FROM OUR RESEARCH<sup>5</sup>**

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<sup>4</sup> They are These are Dr Chris Stevens and Dr Stephanie Ware Barrientos from the Institute of Development Studies, Dr Marzia Fontana (Visiting Fellow) at the Institute of Development Studies, and Sanoussi Bilal from European Centre for Development Policy Management (ECDPM).

<sup>5</sup> A final synthesis report will be available in May 2006.

## **GENERAL ISSUES OF CONCERN**

A general overall finding of our research is that even in sectors where there are no direct negative reciprocity effects on a country as a result of EPAs, there may be several indirect effects that impact the poorest. For example in Zambia although there will not be direct job losses resulting from EPAs in the floriculture and horticulture sector but the, depreciation of the Kwacha in particular, could lead to losses of employment in these and other labour-intensive sectors. Loss of employment would further result in worsened nutrition, lack of access to education by children of workers, lack of access to health facilities, lack of access to shelter and electricity, lack of access to clean water and sanitation, and communication, as revealed by the women working in the sector who were interviewed.

All three countries show that there will be some level of revenue loss. In the SADC region, research shows that with the introduction of an EPA, there will be revenue loss of between 15-60%.<sup>6</sup> Loss of tariff revenue could lead to several setbacks in the states' public expenditures at a time when many ACP countries are struggling to combat HIV/AIDS, literacy and food insecurity. This would be inconsistent with the global consensus (MDGs) that increased public expenditure in poor countries is necessary to meet the development objectives.

As they are currently being negotiated, EPAs are not addressing the supply side constraints, such as weak infrastructure and poorly skilled workforces that ACP countries face.

### **EPAs as Instruments of Development**

All three country studies show some risk of EPAs undermining development. For Zambia for example, the ESA block is negotiating on the assumption that EPAs will be instruments for development and will contribute to the smooth and gradual integration of the ACP States into the world economy, with due regard for their political choices and development priorities. In this context, EPAs should directly contribute to the development of ESA countries by seeking to first build capacity and then enlarge their markets through the removal of barriers to trade at national and regional level and by improving the predictability and transparency of the regulatory framework for trade. This will lead to creating the conditions for increasing investment and mobilising private sector initiatives and thus enhancing the supply capacity of the ACP States. To achieve this, EPAs must ensure that the principles of asymmetry and sequencing are in-built into an ESA EPA, and due account is taken of the specific economic, social, environmental and structural constraints of the ACP countries and regions concerned, as well as of their capacity to adapt their economies to the EPA process. They further need to take account of the development policy objectives of the ACP countries and regions concerned.

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<sup>6</sup> Makwavarara T. 2005. 'Making Economic Partnerships Developmental'. *Voices, Influence and Access* Project. One World Action.

In Mozambique, the SADC EPA guidelines show that both sides agreed that the overall objectives of the SADC-EU EPA will be sustainable development of SADC countries, their smooth and gradual integration into the global economy, and to contribute to the eradication of poverty. More specifically, the SADC - EU EPA will promote sustained growth, contribute to enhancing the production and supply capacity of the SADC countries, foster the structural transformation of the SADC economies and their diversification and support regional integration initiatives in the SADC region<sup>7</sup>.

The major challenge is to translate these agreements into concrete actions. Our research has shown that at the end of the day development concerns are marginal to the negotiations. This is evidenced by the fact that no social (including gender) impact analysis informs the discussions.

Ongoing negotiation processes in the SADC region do not involve women. Women's organisations and trade unions are not involved in EPAs negotiation processes nor are they involved in the negotiation of the SADC Trade Protocol. Different policy formulation such as PARPA II and Legal reform (e.g. Labour Law) are in process but do not link with trade issues and there is no recognition of the importance of coherence from policy makers. In December 2005, Mozambique ratified the African Protocol on Women's Rights, an Addendum to the African Charter on Human and Peoples Rights which entered into force in November 2005. In Article 13, the Protocol refers to Economic and Social Welfare and it calls for promoting women's economic activities and particularly those from the informal sector. EPA negotiations should take into account these policy agreements and ensure that women's rights are protected.

### **Non-state actor participation in negotiations**

Gender issues are emphasized in the Cotonou Agreement as a cross-cutting issue for development and poverty reduction strategies. It also makes specific provision for NSA participation and allocates resources for this. All three countries show no participation by women in decision making related to trade policy and economic policies more broadly. In Zambia, there have been no deliberate efforts to incorporate gender in the on-going negotiations, as confirmed by the EU Delegation to Zambia, Ministry of Commerce Trade and Industry and COMESA. The focus has been on principles of EPAs rather than on the incorporation of cross cutting development issues like gender. During the interviews which were conducted for this study, none of the non-governmental organisation (NGO) or institutions which deal with gender equality and women's rights which were interviewed was participating in Zambia's NDTPF (National Development and Trade Policy Forum<sup>8</sup>) on the on-going EPA negotiations. Therefore, poor women's

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<sup>7</sup> SADC EPA Guidelines for EPA negotiations

<sup>8</sup> Each ESA country, including Zambia, has established a National Development and Trade Policy Forum (NDTPF) which is multi-sectoral (includes agriculture, trade, investment, services, etc.) and representative of the public sectors and non-state actors (NSAs) involved in trade and development work. The Function of the NDTPF is to determine what the optimal development and trade negotiating position for the country is and to prepare briefs outlining these positions which are then to be used by representatives of the country in the Regional Negotiating Forum in preparation for the ESA position for negotiations with the EU.

voices cannot be heard in decision-making processes and EPA negotiating structures that are largely male-dominated and closed to public debate. This underlines the longstanding issue of women's limited participation in trade policy making and monitoring, as well as in economic decision making generally.

In Mozambique there are strong NSAs playing a proactive role in influencing for positive change in policies and processes, particularly with regard to gender integration/gender mainstreaming. However, there are few organisations working on gender and trade at policy level as such. There are some organisations and trade unions from different sectors and within these there are Women Units, representing women and advocate for their interests. It appears that there is not enough institutional and technical capacity to deal with advocacy at policy level on gender and trade. On the other hand, there is no effort from government to include NSAs in negotiations process, while *it is explicit that NSAs should also play a role in the development of political and trade relations*<sup>9</sup>. Recently, a working group was established and coordinated by LINK, an NGO Forum in Mozambique, in order to discuss strategies for participation of NSAs. A very limited number of NGOs and other institutions are involved in the working group and it focuses more on access to financial resources rather than discussing political dialogue and policy influence. It has been said that EU would allocate resources for NSA capacity building to enhance their engagement in Cotonou issues. Unfortunately the EU is known for having very complex processes and requirements for accessing grants. Many organisations find themselves limited in terms of capacity and do not apply for EU funds.

The other issue to consider is the time gap. How long would it take for NSAs to access funds and build capacity within its actors in order to influence the ongoing EPAs process?

Women's organisations in Mozambique are not involved in negotiation neither of SADC protocol or in EPAs. Knowledge of gender issues is generally very limited among technical staff of public institutions. Representatives of the Ministry of Trade and Industry indicated that at the current level of negotiations, gender is not yet put on the negotiations table. This reveals that there is no consideration that gender needs to be a part of the process from the beginning. It is not an issue of including a chapter on gender at the end of the document or to just insert gender and women across the document. What usually happens is that certain institutions work in policy formulation and when this is finalised they contact organisations working on gender for document review and gender inclusion. There is not enough understanding that gender analysis and integration is to be included from the beginning of the process, and implemented thoroughly through the entire process.

SADC has adopted a "Declaration on Gender and Development" (1997) which includes women's full access and control over productive resources in order to facilitate the achievement of gender equality in access to economic structures and control of resources. Also, a Gender Unit was established in 1989 aiming to facilitate and monitor the implementation of gender objectives, including mainstreaming of gender in SADC

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<sup>9</sup> idem



programme of action. Under this commitment, SADC agreed on 30% quota for women in decision making. This means that there should be an effort to balance men and women's participation in all structures established.

Although there is notable high level commitment in the integration of gender into SADC's institutional framework and as a crosscutting issue, there still no major or visible results in mainstreaming gender in public policy and particularly trade.

A question of policy coherence arise here: gender equality issues and women's participation are central to the development plans of all the three countries but these are not taken up in the EPA negotiations. There is therefore a lack of policy coherence

### **The Mozambique experience**

The next section of the paper looks specifically at sugar exports in Mozambique. This case study best illustrates the broader challenges of applying a gender analysis to discussions on EPAs because it shows that even though an EPA could be good for the Mozambican sugar industry because of industry expansion, this will not de facto lead to an improvement in the lives of poor women and men and hence impact poverty levels positively. The industry plays a vital role in the Mozambican economy. It has contributed to increased employment and exports and it is the major employer within private sector and the second major in the public sector, where women represent 14% of the labour force. However this has not contributed to positive changes in women's lives.

#### **Employment**

The sugar industry employs more than 21,500 seasonal and permanent workers, which is equivalent to little more than 17,000 full time workers. These figures exclude workers of companies that are contracted by some sugar growers for cutting, collecting and transport of cane, as well as those who work for outgrowing independent farmers. After the public sector, the sugar industry employs the highest number of people in Mozambique.

The number of female workers in the sugar industry is just above 16% of the total workforce of the industry. Xinavane, one of the factories in the southern region, stands out from the other industries as it employs nearly 56% of the total female workforce of the four factories.

**Table 4: Job in the Sugar Sector, 2005**

	<b>Marromeu</b>	<b>Mafambisse</b>	<b>Xinavane</b>	<b>Maragra</b>	<b>Total</b>
<b>Permanent</b>	4,442	1,399	2,062	1,214	9,117
<b>Seasonal/short term</b>	3,356	4235	3,490	2,292	13,373
<b>Women</b>	461	370	2,221	873	3,925
<b>Total</b>	<b>7,798</b>	<b>5,634</b>	<b>5,552</b>	<b>3,506</b>	<b>22,490</b>
<b>Seasonal/Short term ETI</b>	2,797	2,588	2,133	1,655	9,173

<b>Total ETI</b>	<b>7,239</b>	<b>3,987</b>	<b>4,195</b>	<b>2,869</b>	<b>18,290</b>
<b>Sharing</b>	35%	25%	25%	16%	100%

Source: Sugar of Marromeu, Mafambisse, Xinavane and Maragra

The number of women employed in the sugar industry compared to men, is low considering that the majority of women in the Mozambique economy are in the rural areas and they are in the agricultural sector. Although available data does not explain the differences between men and women's participation and contribution, it is known that women do not have equal access and participation in formal employment nor to income agriculture. Women are more likely to be involved in subsistence agriculture. Given the restrictions they have in doing cropping activities, women should be compensated by having more access to other kind of activities such as cultivation and the factory work.

Women mentioned the fact that fertilisation is a heavy duty because they have to carry huge and heavy volumes of fertilizer: a container on their backs and another refill quantity on the top of their heads. They walk long distances spreading the fertiliser. This can cause health problems (e.g. back/spinal injuries) in the long term. Women with babies or small children have limited access to jobs due to child care activities. There are no efforts from the Sugar factory to create child care facilities near the workplace. The unique crèche in the Manhica village is far away from the factory. Women working in the factories cannot afford to pay the amounts charged due to lower level of salaries they earn. Most of the women are heads of family and many men from Manhica District work in the South Africa mines. These results in work overloads on women who have to combine paid employment, subsistence agriculture and house care activities. Where families are affected by HIV/AIDS or their relatives or neighbours, women have also to provide care support (unpaid care work).

If the Economic Partnership Agreements are developmental, as stated by the EU, and considering the opportunities foreseen for the sugar industry in Mozambique, it is likely that this sector can contribute to poverty reduction. However, to make this happen it is important that the period of preferential access to EU markets by LDC countries after 2009 is extended and that policies and procedures are put in place in order to improve access to employment for women, improve working conditions (particularly for pregnant women, child care services), access to literacy programmes, access to information and technology communication and promotion of investment by local producers. In other words, the developmental dimensions of EPAs need to be strengthened. Opportunities should be given to women to engage in local farmers cane production for supplying the sugar factories. But for that, they need access and control of land, capacity building in terms of training, access to new technology to improve and increase productivity; and access to credit to allow them to invest in land.

## **Concluding remarks**

### **Instruments for Development**

EPAs need to contribute to the interlinked objectives of sustainable development, poverty eradication and the equitable integration of ACP countries into the world economy. There is a need to consider development in an African context and according to the level at which countries are. To make EPAs truly developmental there is need to take account of the countries development policy objectives concerned. For e.g. in Mozambique PARPA (Portuguese for PRSP) is the plan for eradicating absolute poverty and this guides the overall sector programmes. Member states must ensure that gender is mainstreamed into sector policies and programmes. The most recent experience of PARPA process had shown to be a top-down process and therefore not inclusive. In order to achieve sustainable development, there must be investment in public services, strengthening local institutions and building their capacity to improve service delivery to different groups. As the primary users of essential basic services, women's needs must be assessed and resources accordingly allocated.

### **Social, including gender, analysis in EPA negotiations**

An analysis of the negotiations from a gender perspective would show the differentiated effect of these agreements on women's lives. Gender analysis and gender responsive interventions need to be integrated into EPAs, highlighting the importance of gender equality and women's empowerment as key elements of sustainable development. The EU must develop gender indicators to measure the impact of trade policies on gender equality and poverty eradication objectives.

### **Non state actor participation must be central**

Participation is a means of building citizens' capacity to define and contribute to their development. NSAs, especially women's organisations, are not visible in the current negotiations. Women organisations, particularly those at grassroots level, should be consulted in order to identify their concerns and address them in the negotiations.

### **Core labour standards**

Core labor standards, although outside the scope of the negotiations, must be maintained and protected. Many ACP countries themselves indicate that CLS are a non tariff barrier to trade. However these countries are signatories to United Nations agreements such as the Beijing Platform for Action, which makes CLS central to women's economic empowerment, and must therefore ensure these are respected.

### **Policy coherence**

Ensuring coherence in positions taken in the EPA negotiations and boarder development policy must be maintained. Where gender equality issues are central to the development plans of all the three countries but these are not taken up in the EPA negotiations.