

## **“Building Gender Equality into the Global Trading System”**

### **Working Discussion Paper for the World Bank Learning Dialogue - “Equitable Development and the MDGs: Addressing Equity Challenges in the Trade and Labor Agenda” - June 2, 2005 - Washington, D. C.**

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#### **Introduction**

The purpose of this working paper is to identify crucial policy and legal issues for the World Bank’s June 2, 2005 learning dialogue. This dialogue is to initiate discussions and ideas which will contribute to the understanding by Bank Staff, decision-makers and policy makers of the gender impact of international trade and labor policies. With the contributions of experts, decision-makers in the area and dialogue participants, this discussion will look at some of the best practices and effective interventions which are necessary to build gender equality into the global trading system. This includes promoting the inclusion of gender criteria in the design of Bank assistance and operations and supporting the engendering of international trade and labor laws and policies by member countries.

This paper covers the follows areas: 1. Making Women “Winners” in the Global Trading System; 2. The Global Trading System and Poverty Reduction; 3. The Impact of Global Trading Practices on a Gendered Labor Market; 4. Understanding the Gender Effect of Trade and Investment Practices; 5. Gender Equality Legal Standards and Global Trade Practices; 6. ILO Gender Equality Standards; 7. UN and International Gender Equality Standards; 8. Key Regional Gender Equality Standards; 9. The World Bank’s Gender Equality Standards; 10. Trade Agreements and Gender Impacts; 11. Recommended Practices and Interventions for Engendering Trade; 12. Concluding Comments: Building Equitable and Sustainable Trade and Labor Markets. Annex A contains some key lending and policy questions to stimulate the discussion process. Annexes B and C contain respectively a bibliography of key articles and reports in the trade, gender and labor area as well as reference cites for international labour and human rights instruments and policy documents.

#### **1. Making Women “Winners” in the Global Trading System**

Global trade and investment liberalization has brought significant opportunities for developing countries and women to prosper. At the same time, it presents many risks and these have fallen disproportionately on the world’s women who also represent the world’s poorest citizens. In the world of global trade and finance where reforms often lead to at least short term “winners and losers”, women are too frequently the “losers”. Widespread gender inequalities continue to exist in the world with the “feminization of poverty” and the increasing number of female headed households. This is so despite the recognition that promoting economic equality between men

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and women helps economies grow faster, accelerates poverty reduction and enhances the dignity and well being of women, men and children (World Bank, 2005, UN, 2004, ILO, 2004, UNCTAD, 2004, Cornish, 2003 and Cornish et al, 2004b).

Reorienting the global trading system's policies, practices, and laws so that women are more frequently the "winners", requires a transformative approach. The system must be reconceptualized so that the "promotion of gender equality and women's empowerment", the third Millennium Development Goal is made both a key objective and a planned for result. This proactive approach of engendering trading and investment practices was affirmed in the 2004 Sao Paulo Consensus where UNCTAD was mandated to support developing countries in analyzing appropriate linkages between trade and gender equality. Such linkages also serve the more fundamental objective of ensuring such practices are consistent with Government's equality promoting obligations under national, regional and international equality standards and development policies. These include the international community's commitments in the 1981 *Convention on the Elimination of Discrimination Against Women (CEDAW)*, the 1995 *Beijing Declaration and Platform for Action*, other international, regional and national human rights and development instruments and more recently the Millennium Development Goals (MDGs).

## **2. The Global Trading System and Poverty Reduction**

### Complex System of Barrier Reductions

The global trading system is a multi-layered and complex matrix involving multiple international and regional institutions, parties and instruments. (For a review of these instruments, see Cornish et al, *Reference Guide to the Legal Frameworks and Trade Agreement/Negotiations for Enforcing International Labor Standards and Human Rights in the Americas*. This trading system includes international or regional trade arrangements, international and domestic laws and policies, measures of international and regional financial institutions and transnational corporate business practices. The key feature of the system is the reduction of trade and financial barriers between countries. This has been achieved through many different measures but mainly through trade and financial liberalization, deregulation, privatization, tax reductions and reductions in public sector and social spending. While there are international trading institutions such as the WTO, there has also been a proliferation of regional trading arrangements and negotiations, with almost every developing country participating in such preferential trade arrangements.(PTAs).

### Linkages between Trade, Investment and Poverty

The linkages between trade, investment and poverty are complex. These relationships depend on the country and sector in question, the type of trade and investment mechanism, the investors and the responsibility of governments. Trade and investment liberalization can modify the balance of those variables. While trade can potentially increase the resources available to reduce poverty and promote labor and equality rights, it can also skew the balance of the rights and obligations of investor's interests over the rights of States, individuals and communities. (OHCHR, 2003)

Trade affects the poor as both net suppliers and consumers of goods and services whose price and availability are affected by trade reform. The poor are also affected by the resulting effects of trade reform on government fiscal policy, economic growth and instability. While trade reform

has led to overall significant poverty reduction, the poor have still been very vulnerable to the adjustment costs required by such reform and yet are the least able to tolerate those costs. Further, since many poor are unemployed or marginalized in the precarious sectors of the informal economy where women are concentrated, they are often excluded from labor market protections and not in a position to benefit from the competitive gains which trade reform brings to that market. (ILO, 2004, World Bank, 2001, Bannister, et al, 2001, ICFTU, 2001)

### Trade and the Role of State and Institutional Interventions

For the most part, the new globalized economy has expanded the role of the market in resource allocation and contracted the role of the state. This was based on the mainstream trade theory that expanded global trade and financial liberalization would foster increased economic growth and corresponding reductions in poverty for all countries. This theory often defined social, labor and economic regulations as “barriers to trade” which reduce competitiveness and increase costs. It is now generally recognized that a fair globalization process requires appropriate regulatory and policy interventions to minimize the adverse impact of trade and financial reforms and to harness the potential positive benefits which such reforms can bring to the world’s poor, particularly women. (World Bank, 2005, ILO, 2003 and 2004, UN, 2004)

With increasing criticism of the inequitable results of such trade policies and the increased awareness of the social impact of structural adjustment and other trade policies, the IFIs and particularly the World Bank moved to implement various social and institutional policies to ameliorate the system’s negative effects. For example, the World Bank’s structural adjustment policies were changed in 2004 to “Development Policy Lending” (OP 8.60) which aims to help country borrowers to achieve sustainable reductions in poverty through a program of policy and institutional actions that promote growth and enhance the well being and incomes of poor people.

### **3. The Impact of Global Trading Practices on a Gendered Labor Market**

#### Existing Structural Inequalities Exacerbated

In the absence of a gender equality trading strategy, global trading practices have often further exacerbated the existing structural labor market gender inequalities which distribute vastly different and inferior benefits to women than men. (Cornish, 2003) Increasing global and regional trade and investment flows have increased the penetration of the international trading system into national and local labor markets where pre-existing gender-based structural inequalities were already delivering inequitable gender outcomes for women. This is particularly true in developing countries with pre-existing deep rooted gender inequalities and prejudices (Cornish, 2003, Cornish et al.2004b, World Bank, 2005 and 2001).

#### Beijing +10 and ILO Reports on Globalization’s Gender Impact

Governments reporting to the 2005 Beijing +10 UN Commission on the Status of Women noted that in Africa, parts of Asia and Latin America and the Caribbean there are disproportionately high poverty levels among women and insufficient access to or control by women over economic resources (UN 2004). They also detailed various negative impacts of globalization, trade liberalization and privatization including increased poverty, particularly in rural areas,

decreased social protection and basic services, increased violence against women, and decreased participation of women in political decision-making. The needs of women facing multiple discrimination, including women from rural areas, ethnic minority and indigenous women, refugee and internally displaced women, women affected by armed conflict, disabled women and homosexual women were also highlighted as particularly vulnerable. (UN, 2004, Cornish, 2003).

The ILO's World Commission on the Social Dimension of Globalization in its 2004 Report, *A Fair Globalization: Creating Opportunities for All*, also highlighted some of the same serious gender imbalances. It noted as well the agricultural trading practices which have often driven women producers out of the sector and the barriers faced by women entrepreneurs in gaining entry to the new economic activities generated by liberalization. The World Bank and others have also documented these concerns. (World Bank, 2001 and 2005, WIDE, 2004).

### Systemic Labor Market Gender Discrimination

The systemic gender discrimination facing women in the world's labor markets stems from a number of ongoing labor market trends, including the persistent wage gap, unequal access to productive resources, capital, education and training and the persistence of stereotypical attitudes and gender bias. All these factors constrain women's labor force access and hinder poverty reduction. (UN, 2004, World Bank, 2005 and ILO, 2003) The historical occupational segregation of women and men in different occupations and sectors of the economy has continued with globalization. (Cornish, 2003) The new economy has increased the move throughout the world from "male" standard full time work to "female" flexible and casual forms of employment.

### Precarious and Low Income Employment

While women's labor force participation rates are increasing, such increase is coming primarily in the informal economy through self-employment, part-time employment, home-based low income work, outsourcing, contract and export processing zone work. Overall, worldwide, women continue to earn only about 2/3 of what men earn. Women entrepreneurs are also substantially hindered in their income generating efforts by their often unequal access to and control of land, especially agricultural land and access to credit. (UN, 2004).

Human Rights Watch and others have documented the inequitable labor practices women in developing countries face, especially in female predominant export processing zones which are part of the global supply chain of transnational corporations. Global Unions (The International Confederation of Free Trade Unions, Public Services International and Education International) in their Statement to the Beijing+10 UN Commission meetings highlighted particularly the intimidation of workers trying to organize in these zones as well as violence and sexual harassment. (IACHR, 2003) This has been attributed in part to the increasing competition worldwide for low wage production. (HRW, 2004, 2001 and Global Unions, 2005, 1998, UN, 2004) Too often, women's competitive advantage is their lower pay and poor working conditions. (Cornish, 2003, ILO 2003).

### Reduction in Labor Protections and Supportive Measures

Given the often reduced capacity of the state in the new economy and the lack of control of any one state over global trading practices and the transnational businesses, the state's role in protecting women in such precarious employment is often compromised. As well, with low paid women being a significant way for developing countries to compete against developed countries in producing low cost goods and services, some countries through easing labor regulations and encouraging low wage costs have facilitated a labor market which permits precarious and inequitable employment. (World Bank, 2005, UN, 2004, ILO, 2004, 2003, HRW, 2004, 2001, Global Unions, 2005 and 2002, Cornish, 2003 and Cornish et. al, 2004 b).

While millions of women have been absorbed in these new global production systems, providing higher income, there is still a need to ensure labor protections in these vulnerable areas of employment and the necessary measures to move women as well into more secure and regulated employment sectors. As well, for many of the world's women who are suffering from "time poverty" while they struggle to reconcile employment and family, household and community responsibilities, the reduction in state social services flowing from divestment, deregulation and outsourcing has increased their already inequitable situation. (Cornish, 2003, World Bank, 2005). Meagrely financed programmes directed at poverty eradication for women also further contribute to continuing gender inequalities (UN 2004).

#### **4. Understanding the Gender Effect of Trade and Investment Practices**

As can be seen, men and women are affected differently by trade policies and performance, owing to their different locations and command over resources within the economy. As noted by Nilfur Catagay in her paper, *Gender, Poverty and Trade*, gender-based inequalities impact differently on trade policy outcomes, depending on the type of economy and sector, with the result that trade liberalization policies may not yield expected results. To ensure gender positive results for trading strategies, there must be a clear understanding of the gender effect of the trade laws or policies. As noted by Mariama Williams of the International Gender and Trade Network in her speech, "Financing Development in the Context of Globalization and Trade Liberalization: Opportunities and Constraints Facing the Caribbean" such a gender-based analysis in the design of trade agreements, laws and policies and a gender sensitive selectivity of liberalization measures would serve to enhance rather than hinder gender equality and human development.

#### **5. Gender Equality Legal Standards and Global Trade Practices**

##### The Development of Gender Equality Legal Standards

At the same time as the global trading system with global supply chains was being developed, national, regional and international institutions working with civil society were moving to develop stronger and more comprehensive gender equality legal standards to address the gender inequities in world labor markets. This gender equality legal system is made up of many intersecting and overlapping instruments including treaties, conventions, declarations, resolutions, decisions and recommendations. See Annex C for reference cites for these key human rights and policy instruments. Together these instruments form the world's legal framework within which global trading laws and practices can be assessed, women's specific rights can be strengthened, states' positive obligations can be clarified, and effective mechanisms can be established and improved to monitor compliance with international

obligations (Cornish, 2003, Cornish et al.2003).

### Womens' Right to a Labor Market Free of Discrimination

The right to a labor market free of gender discrimination is a fundamental human right and a Core Labor Standard. Since the adoption of the ILO's *Equal Remuneration Convention* in 1951, and continuing to the present with the UN Commission on Human Right's 2005 *Beijing +10* March 2005 resolution, world governments have highlighted the importance of establishing global rules to recognize women's rights as human rights and to redress all forms of gender discrimination. This has included an increasing recognition of the systemic and multi-layered nature of women's labor market discrimination. (Cornish, 2003) International equality standards set out in human rights and labor instruments and mechanisms require specific and proactive measures to be taken by governments, employers, and trade unions in order to achieve full labor market equality. This includes pay and employment equity/affirmative action measures as key tools in providing women with social and economic justice and decent work.(Cornish et al, 2004 b, Cornish et al, 2003)

## **6. ILO - Gender Equality and the Core Labor Standards**

The international consensus on the fundamental rights and fair practices for the world's workplaces is contained in the Conventions and Recommendations of the International Labour Organization. As a tripartite UN specialized agency with representatives of employers, workers and governments from 175 countries, the ILO is responsible for the development and enforcement of fair working conditions . ILO standards are developed through negotiations between governments, trade unions and employer representatives in ILO member states. The 1998 *ILO Declaration on Fundamental Principles of Work and its Follow Up* sets out the Core Labour Standards which are a set of four internationally recognized basic workplace rights and principles: a) Elimination of all forms of forced or compulsory labour; b) Effective abolition of child labour with priority to the worst forms; c) Equal opportunity and non-discrimination in employment; and d) Freedom of association and the right to collective bargaining.This *Declaration* requires compliance with the eight "fundamental conventions" (listed in Annex C) whether or not a member state has ratified them because these principles are fundamental to ILO membership. The ILO requires member states to submit annual reports on implementation and compliance with the *Declaration*. (ILO, 2002 and 3003, Cornish, 2004 a).

The Core Labor Standards are now recognized as the minimum floor for global workplace standards. The core labour standards are also supported by the World Bank which is committed to understanding and incorporating Core Labour Standards in the development of their Country Assistance Strategies. The Bank has prepared a Core Labor Standards toolkit to assist in the preparation of Country Assistance Strategies. (World Bank, 2001) These standards are also now increasingly being referred to in trade agreements.

## **7. Key UN and International Gender Equality Instruments and Mechanisms**

The United Nations system is increasingly taking an important role in enforcing gender labour market equality in a globalized world. Numerous UN instruments complement the ILO Conventions set out above, and more importantly demonstrate the fundamental intersection between promoting labour market gender equality and promoting basic human rights. Women's

economic rights are protected in the *International Bill of Human Rights* which consists of three cornerstone documents – the *Universal Declaration of Human Rights* (“UNDHR”), the *International Covenant on Civil and Political Rights* (“ICCPR”) and the *International Covenant on Economic Social and Cultural Rights* (“ICESCR”). (UN, 2004, Cornish et. al, 2003).

#### *Convention on the Elimination of Discrimination Against Women (“CEDAW”)*

The 1981 *Convention on all Forms of Discrimination Against Women*, (“CEDAW”) is the most comprehensive UN Convention dealing with gender equality and is the main focus of compliance actions by state actors, particularly for those who have ratified the Optional Protocol. *CEDAW* addresses the multi-faceted nature of women’s discrimination and the need for comprehensive social, political and economic remedies, sets up an agenda for national action towards the complete legal protection of women’s rights and monitors enforcement by requiring member states to report every four years on compliance. *CEDAW* also sets out a number of specific and important employment protections such as women’s right to the same employment opportunities as men; the application of the same criteria for selection in matters of employment; free choice of professions and employment; promotion, job security and all benefits and conditions of service that are granted to men; vocational training and retraining; equal remuneration, benefits, and equal treatment in respect of work of equal value; equality of treatment in evaluation of the quality of work; protection of health and safety in working conditions; and the right not to be discriminated against due to pregnancy or family responsibilities.

#### *Right to Development, Vienna Declaration, and Copenhagen Declaration*

Following *CEDAW*, a number of UN Declarations were issued to strengthen gender equality internationally and to mobilize member states into taking concrete action to realize this objective. In 1986, the *UN Declaration on the Right to Development* emphasized non-discrimination, security, empowerment, and development rights as human rights. The *Vienna Declaration and Programme of Action*, adopted following the 1993 World Conference on Human Rights, affirmed the human rights of women as an inalienable, integral and indivisible part of human rights and demanded gender mainstreaming across all UN institutions and activities. The 1995 *UN Copenhagen Declaration on Social Development* reinforced these principles by calling for greater transparency and equality in governance and administration institutions in order to create sustainable foundations for social and economic development. (Cornish et.al. 2003)

#### *Beijing Declaration and Platform for Action*

In that same year, following the UN Fourth World Conference on Women, member states adopted the *Beijing Declaration and Platform for Action*. The *Beijing Declaration* renewed the world’s commitments to eliminating all forms of discrimination against women and girl children, and the *Platform for Action* committed signatories for the first time to a detailed agenda for achieving this objective over a five year period. The strategic objectives set out in the *Platform for Action*, call on member states, employers, employees, trade unions and women’s organizations to promote women’s economic rights and independence in order to: secure access to employment, appropriate working conditions and control over economic resources; facilitate women’s access to resources employment, markets and trade; strengthen women’s economic capacity and commercial networks; and eliminate occupational segregation and all

forms of employment discrimination. As a five year follow up in June 2000, the UN General Assembly after reviewing Country status reports, issued a Resolution on *Further Actions and Initiatives to Implementing the Beijing Declarations and Platform for Action* which signalled the need to accelerate implementation of the *Platform for Action* and the need for more sustainable signs of an increase in women's equality internationally. This Resolution called on international financial institutions ("IFIs"), such as the World Bank to support this process.

### Millenium Development Goals

During 2000 as well, building on the foundation of these equality standards, Governments and institutions made a commitment to the Millenium Development Goals which set specific goals and targets for a shared vision of the world where, among other things, gender equality is promoted and women are empowered. The Bank, in its report, *Gender Equality and the Millenium Development Goals*, like other development partners has recognized that the gender equality goal #3 is not just a goal in its own right, but is an essential ingredient for achieving all the other MDGs. The MDGs have highlighted the importance of governments, civil society and international institutions working in partnership to achieve gender equitable results. International and regional institutions such as the ILO, UNIFEM, OHCHR and Inter-American Commission on Human Rights along with civil society organizations such as the International Gender and Trade Network, WIDE, Human Rights Watch, Global Unions and the Centre of Concern have developed a significant body of knowledge on engendering trade practices which needs to be shared and learned from (HRW, 2001 and 2004, Williams, 2002, WIDE, 2004) Global Unions, 2001, 2002, 2003 and 2004).

### Beijing+10

In 2004, a Beijing+10 further UN review process resulted in a December, 2004 UN Secretary General Report summarizing Government implementation reports. (UN, 2004) This Report and the March, 2005 Resolution of the UN Status of Women Commission noted the strong linkages between gender equality and development. (UN, 2005) They called on the entire UN system, international and regional organizations and all sectors of civil society to work for the full and effective implementation of *Beijing* in order to achieve internationally agreed development goals, including the MDGs.

## **8. Key Regional Gender Equality Standards**

With the world divided into many economic regions, regional human rights mechanisms are increasingly an important means for addressing women's labour market equality. (Cornish, 2003 & 2004)

### The Americas

Within the Inter-American human rights system, the Inter-American Commission on Human Rights, the Inter-American Court of Human Rights, the Inter-American Commission on Women, and Special Rapporteurship on the Rights of Women collectively work to enforce equality and non-discrimination. The *American Declaration on the Rights and Duties of Man*, the 1969 *American Convention on Human Rights* and other instruments address women's equality rights. Further regional mechanisms in North America include CARICOM in the Caribbean Community

and the *North American Agreement on Labour Cooperation*, a side agreement to the North American Free Trade Agreement, the United States, Mexico and Canada have committed themselves to promoting 11 specific Labour Principles which are annexed to the Agreement. Of particular relevance to the economic rights of women are the principles of: prohibition on forced labour; minimum employment standards; elimination of employment discrimination; equal pay for women and men; and protection of migrant workers.

### Asia, Africa and Europe

In the Asia Pacific Region, the Association of Southeast Asian Nations adopted the *Declaration of the Advancement of Women in the A.S.E.A.N. Region* in 1988 to reinforce the *Bangkok Declaration of 1967*, the *Declaration of ASEAN Concord of 1976*, and the *Manila Declaration of 1987*. In 1998 the APEC Ministerial Meeting on Women recommended developing a Framework for the Integration of Women in APEC. In June 2002, the New Economic Partnership for African Development in Durban (NEPAD) enacted resolutions that affirm a commitment to gender equality in the labour market. For example, the *Durban Declaration on Mainstreaming Gender and Women's Effective Participation in the African Union*, the *Protocol on the African Charter on Human and Peoples' Rights on The Rights of women in Africa*, July 2003, the *African Charter on the Human Rights and People's Rights* and the *African Platform for Action* and the *Dakar Declaration of 1974*. The European Economic Community also recognizes equality between men and women as a fundamental principle and gender mainstreaming as a priority objective in all of its activities. This is reinforced in the *Treaty of Amsterdam*, the *Charter of Fundamental Rights of the European Union*, and by numerous binding EC Regulations, and Directives.

## **9. The World Bank's Gender Standards**

The World Bank moved to incorporate gender standards into its policies and practices with the adoption of its gender and development mainstreaming strategy in 2001 and the issuance of its 2003 revised Operational Policy and Bank Procedures on Gender and Development.(OP/BP 4.20) Governance and social equity indicators to the World Bank's Country Policy and Institutional Assessment (CPIA) recognize both the gender impacts of trade-related policies and practices and the need to incorporate a gender-sensitive mainstreaming approach to the Bank's knowledge gathering, policies and projects. (World Bank, 2005) The Bank's Gender and Development Board also works to collaborate with relevant units in the Bank to facilitate the integration of gender in the Bank's work. The Gender and Law Thematic Group has focussed on working on promoting gender equality through legal reforms and policies. While the World Bank's gender document are excellent analytical and reference documents, there is still an ongoing challenge to implement these policies and learnings systematically within the Bank's lending and development policies.

## **10. Trade Agreements and Gender Impacts**

The global trading system has taken some initial steps to address gender issues with the inclusion of some references to anti-discrimination standards in regional trade agreements such as NAFTA, and the EU as well as the reference to equality measures in the WTO's Singapore Declaration. However, even where trade agreements such as CAFTA, the Central American Free Trade Agreement now being negotiated) includes a Core Labor Standards provision, such

inclusion is not sufficient in the absence of effective enforcement mechanisms and in the presence of other provisions in the agreement which would have an adverse gender impact on women. The CAFTA negotiations have been the subject of demonstrations in Central America and there is considerable concern that provisions relating to the opening up of the agricultural sector and the influx of further export processing zones will increase women's inequality. (IGTN, 2002). There is also considerable debate and research on how labour and human rights protections can be best addressed in a trade context, including whether Core Labor Standards should be negotiated into trade agreements and/or left to the enforcement procedures of the ILO or other human rights mechanisms in the UN or regional mechanisms such as the Inter-American Commission on Human Rights.(Cornish, 2002, Polaski, 2003)

## **11. Recommended Practices and Interventions for Engendering Trade**

The UN and ILO as well as many governments have identified recommended practices and interventions for ensuring that trading laws and policies promote gender equality.

### Government Beijing +10 Reports

Governments reporting to the UN in the Beijing+10 UN process noted the linkages among trading and gender issues and called for steps to foster linkages and complementarities among policies, legislation, institutional frameworks and operational programmes (UN, 2004). These Governments increasingly recognize *CEDAW* with its proactive steps as the critical framework for the promotion of gender equality and the empowerment of women. They also noted the need to increase public investments in health, education, training and social services, including social security, pensions and insurance as strategies to combat poverty among women. Social services including childcare, care for the aged, and care for the retired and disabled were also noted as vital to women. As well, employment for women which provides a minimum wage and income producing activities for women entrepreneurs were also supported along with the need to adopt comprehensive national employment strategies which minimize horizontal and vertical segregation in the labour market. There was also a call for Institutional frameworks to be developed to carry out policies and capacity building as well as the integration of gender in a country's budgetary processes (UN, 2004).

### Office of the High Commissioner on Human Rights

The Office of the High Commissioner on Human Rights in its 2003 *Human Rights, Trade and Investment* report called for consideration of a number of measures, including the promotion and protection of human rights among the objectives of trade agreements; ensuring that such agreements retain the right of states to protect and promote human rights and protect the vulnerable and poor; promote investor's obligations as well as rights; include international assistance in such agreements; promote human rights in context of privatization through ensuring the effective provisions of the public services necessary to enjoy human rights; the promotion of the rule of law through popular participation, transparency, and accountability; and the involvement of IFIs and intergovernmental organizations in ensuring public participation and building and maintaining accountability mechanisms; increasing the dialogue on human rights and trade and lastly, undertaking human rights assessments of trade and investment liberalization.

## ILO Fair Globalization Report

The 2004 ILO Fair Globalization Report called for a fair and inclusive process of globalization where “decent work” is provided for all. It called for the enforcement of the ILO’s core labour standards which provide a minimum set of global rules for labor in the global economy with the need to ensure these rules are enforced in the new global production systems. *Time for Equality At Work*, the ILO’s 2003 Global Report of the Director General under the Follow Up to the ILO Declaration on Fundamental Principles and Rights at Work also highlighted gender equality measures.. This report notes that enforcing Core Labor Standards is an essential part of fair trade and collective bargaining empower workers to gain a fair share of increased productivity they are creating for their country (See also, Aidt, 2002).

## The UN Global Compact

As well, the UN Global Compact, an initiative of the Secretary General brings corporations together with civil society, labour and UN agencies to support ten principles in the areas of human rights, labour, the environment and anti-corruption to advance a sustainable and inclusive global economy. These principles include the Core Labour Standards. In addition, the OHCHR has developed the Draft Norms on the Responsibilities of Transnational Corporations and other Business Enterprises With Regard to Human Rights. These norms include the Core Labor Standards and right to equal opportunity and non-discriminatory treatment.

## **12. Concluding Comments - Building Equitable and Sustainable Trade and Labor Markets**

As noted above, ensuring that trade and investment liberalization complies with international gender equality standards and promotes poverty reduction requires examining what complementary measures are needed to ensure the appropriate balance of rights and obligations between investors’ rights, State’s obligations under domestic, regional and international human rights instruments and the requirements necessary to ensure sustainable development (UN, 2003). This requires States, while engaging in international and multilateral trade and investment negotiations, to ensure that there is a congruence between their trade and investment and gender equality obligations. There remains a large gap between theory and practice when it comes to effectively promoting gender equality. The suggested questions set out in Annex A to this paper provide a framework for discussing the various legal and policy issues which must be addressed in order to build women’s equality into the global trading system.

Engendering global trade and investment practices is a complex multi-faceted process. Pro poor trade policies means pro women policies. Given women make up half of a country’s human capital, harnessing that potential requires the transformation of labor markets to provide equal economic outcomes for men and women. Results-based, outcome-directed and country-led steps must be taken by international bodies, states, employers and unions in order to work towards trade laws and policies becoming a gender equality promoting vehicle. This way, international labour equality standards will start to be translated into concrete improvements in the lives of women, children and their families and communities. This requires an ongoing and informed dialogue between governments, civil society, international institutions and the Bank.

This will help to close the gap between rhetoric and reality when it come to increasing women's access to rights, resources and voice.

## **Annex A**

### **Building Equitable and Sustainable Trade and Labor Markets Suggested Policy and Legal Questions for Consideration by Dialogue Experts, Decision Makers and Participants**

#### Promoting Policy Integration between the Global Trading System and International Gender Equality Standards

- How can the Bank through its development assistance and policy advice to member countries bring together the policy and legal objectives of the global trading community and member countries with the world's commitment to achieving international and regional gender equality standards?
- How can the Bank facilitate countries and their finance and trade experts gaining a greater understanding of the gender dimension of trade and investments and gender experts gaining a greater understanding of the linkages between trade and investment and the promotion of gender equality?

#### Gender Equality Standards and Country Assistance Strategies, Country Gender Assessments and Poverty Reduction Strategy Papers

- How can the Bank's policy advice, technical assistance and knowledge-sharing services contribute to gender equitable trading practices.
- How can the Bank's Country Assistance Strategies and Country Gender Assessments be designed to incorporate strategies and measures to address the trading system's gender impacts and promote compliance with gender equality standards?
- How can the Bank facilitate greater gender-sensitivity by countries in the development of Poverty Reduction Strategy Papers?
- What monitoring and evaluation mechanisms are necessary to ensure that Bank work does reflect the necessary gender sensitivity in this area?

#### Understanding Discrimination and Multiple Disadvantages faced by Women - Gender Specific Information, Analysis and Planning

- How can the World Bank's technical advisory capacity be mobilized to help understand where women are located in national and local economies, their constraints and the gender impacts of trade policies?
- What are the most effective measures for analyzing macroeconomic stability, development lending policies, trade, taxation and employment policies from a gender perspective to understand their impact on the poverty of women?

#### The Role of the State in Promoting Gender Equality

- What is the role of the state in the promotion and enforcement of gender equality standards and how can the Bank facilitate state actors to carry out that role?
- How can the Bank facilitate the setting of gender-responsive budget priorities?

- How can the Bank's lending and development practices be directed to encourage countries to provide more social protection and labour regulations in the areas of women's precarious employment? What measures are needed to provide women with more secure jobs?

#### The Role of Non-State Actors including Trade Unions, Women and Their Representatives

- How can the Bank facilitate its own understanding of the importance of women's collective organization to the promotion of equitable working conditions?
- How can the Bank facilitate a dialogue and consultation, between its member countries and the ILO and trade unions in support of the understanding and enforcement of Core Labour Standards, including the promotion of collective bargaining rights?
- How can the Bank facilitate countries to empower poor women and their representatives?
- How can the Bank facilitate the participation of women in trade decision-making in international and regional institutions and governments, including the involvement of women's machineries in countries' governments, eg. women's affairs ministries?

#### Importance of Partnerships and Dialogue

- How best can partnerships be developed and dialogue improved between the World Bank and others to further the engendering of trade policies?
- How can the Bank best establish relationships with other UN institutions responsible for the implementation of UN gender equality obligations? What linkages can be developed with civil society trade and gender experts?

#### Ensuring Effective Gender Equality (Pay and Employment Equity) Laws

- How can the Bank support the development of effective pay and employment equity laws?
- What role do minimum wage laws and pensions play in promoting pay equity for women and how can those laws be reconciled with trade liberalization?

#### Enforcing Gender Equality Standards in a Trade Context

- How can gender equality labor and human rights protections best be enforced in a trade context?
- Should gender equality and core labor standards be negotiated into trade agreements? If so, what provisions would be most useful?
- Should enforcement be left to the enforcement provisions of the ILO or other international (OHCHR) or regional human rights mechanisms (IACHR)?
- Can requiring global equality standards in trading agreements operate as a form of protectionism by developed countries which have the effect of excluding developing countries from the benefits of development?
- What measures are necessary to ensure such standards are effectively enforced so that women actually benefit from them - eg. capacity building and training?

## Annex B

### Trade, Gender and Labor References and Bibliography

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## Annex C

### References for International Labor and Human Rights Instruments and Policy Documents

#### International Human Rights Instruments

*Convention on the Elimination of All Forms of Discrimination against Women (CEDAW)*:  
<http://www.unhchr.ch/html/menu3/b/e1cedaw.htm>  
*ILO Declaration on Fundamental Principles and Rights at Work*:  
<http://www.ilo.org/public/english/standards/reim/ilc/ilc86/com-dtxt.htm>  
*ILO Discrimination (Employment and Occupation) Convention (No. 111)*:  
[http://www.unhchr.ch/html/menu3/b/d\\_ilo111.htm](http://www.unhchr.ch/html/menu3/b/d_ilo111.htm)  
*ILO Equal Remuneration Convention (No. 100)*: [http://www.unhchr.ch/html/menu3/b/d\\_ilo100.htm](http://www.unhchr.ch/html/menu3/b/d_ilo100.htm)  
*International Covenant on Economic, Social and Cultural Rights (ICESCR)*:  
[http://www.unhchr.ch/html/menu3/b/a\\_ceschr.htm](http://www.unhchr.ch/html/menu3/b/a_ceschr.htm)  
*International Covenant on Civil and Political Rights (ICCPR)*:  
[http://www.unhchr.ch/html/menu3/b/a\\_ccpr.htm](http://www.unhchr.ch/html/menu3/b/a_ccpr.htm)  
*International Convention on the Elimination of all Forms of Racial Discrimination (CERD)*:  
[http://www.unhchr.ch/html/menu3/b/d\\_icerd.htm](http://www.unhchr.ch/html/menu3/b/d_icerd.htm)  
Universal Declaration of Human Rights:<http://www.unhchr.ch/udhr/lang/eng.htm>

#### International Policy Instruments

*Beijing Declaration and Platform for Action*:  
<http://www.un.org/womenwatch/daw/beijing/platform/declar.htm>  
*Further Actions and Initiatives to Implement the Beijing Declaration and Platform for Action (“Beijing +5 Resolution”)*: <http://www.un.org/womenwatch/daw/followup/ress233e.pdf>  
*Declaration on Race and Racial Prejudice*: [http://www.unhchr.ch/html/menu3/b/d\\_prejud.htm](http://www.unhchr.ch/html/menu3/b/d_prejud.htm)  
*Declaration on the Rights of Disabled Persons*: <http://www.unhchr.ch/html/menu3/b/72.htm>  
*Declaration on the Rights of Mentally Retarded Persons*:  
[http://www.unhchr.ch/html/menu3/b/m\\_mental.htm](http://www.unhchr.ch/html/menu3/b/m_mental.htm)  
*Draft Declaration on the Rights of Indigenous Peoples*:  
[http://www.unhchr.ch/huridocda/huridoca.nsf/\(Symbol\)/E.CN.4.SUB.2.RES.1994.45.En?OpenDocument](http://www.unhchr.ch/huridocda/huridoca.nsf/(Symbol)/E.CN.4.SUB.2.RES.1994.45.En?OpenDocument)  
*Durban Declaration and Action Programme on Racism, Racial Discrimination, Xenophobia and Related Intolerance*: <http://www.un.org/WCAR/durban.pdf>  
*ILO Employment Policy Convention (No. 122)*: [http://www.unhchr.ch/html/menu3/b/k\\_ilo122.htm](http://www.unhchr.ch/html/menu3/b/k_ilo122.htm)  
*ILO Home Work Convention (No. 177)*:  
[http://www.ilo.org/public/english/employment/skills/recomm/instr/c\\_177.htm](http://www.ilo.org/public/english/employment/skills/recomm/instr/c_177.htm)  
*ILO Indigenous and Tribal Peoples in Independent Countries Convention (No. 169)*:  
<http://www.unhchr.ch/html/menu3/b/62.htm>  
*ILO Maternity Protection Convention, (Revised) (No. 183)*: <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C183>  
*ILO Part-time Work Convention (No. 175)*: <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C175>  
*ILO Workers with Family Responsibilities Convention (No. 156)*: <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C156>  
*National Institutions for the Promotion and Protection of Human Rights (“Paris Principles”)*:  
<http://www1.umn.edu/humanrts/resolutions/48/134GA1993.html>  
*Standard Rules on the Equalization of Opportunities for Persons with Disabilities*:  
<http://www.un.org/documents/ga/res/48/a48r096.htm>  
*World Programme of Action Concerning Disabled Persons*:

<http://www.un.org/esa/socdev/enable/diswpa00.htm>