

World bank recognizes need for gender equality in international trade

By Mary Cornish



On June 2, the World Bank with the United Nations Development Fund for Women (UNIFEM) convened a meeting on Millennium Development Goals ("MDGs") entitled "Equitable Development and the MDGs: Addressing Equity Challenges in the Trade and Labor Agenda." Attendees included experts and representatives from the International Labour Organization (ILO), the Office of the High Commissioner on Human Rights, the Inter-American Commission on Human Rights and the Guatemalan women's minister. The focus of the meeting was to consider the necessary steps to ensure the global trading system delivers gender equitable outcomes consistent with countries' international legal obligations.

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 such reforms can bring to the world's women.

The meeting was part of the preparation for the September 2005 Millennium Summit where the world community will assess what progress has been achieved in implementing the MDGs, which include the goal that gender

equality is promoted and women are empowered (Goal 3). The World Bank, in its report, *Gender Equality and the Millennium Development Goals*, joins a growing international consensus that the promotion of gender equality is essential to the entire development and poverty reduction MDG package. The global trading system, with its complex matrix of institutions, parties and instruments, has multidimensional effects and provides the overarching context for the achievement of the MDGs. This 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. MDG Goal 8, which is to build a global partnership for development explicitly, commits the world in Target 12 to develop further an open, rule-based, predictable, non-discriminatory trading and financial system.

While globalization has brought significant economic opportunities, 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 by the UN, the ILO and the World Bank that

promoting labour market equality between men and women helps economies grow faster, accelerates poverty reduction and enhances the dignity and well-being of women, men and children.

Global trading practices such as deregulation, privatization, tax reductions, reductions in public sector and social spending and the development of export processing zones have often further exacerbated the existing structural labour market gender inequalities which distribute vastly different and inferior benefits to women than men. While trade can potentially increase the resources available to reduce poverty and increase jobs for women, it can also skew the



Mary Cornish listening to the Guatemalan women's minister Maria Gabriela Núñez speak at the June 2 conference in Washington.

balance of the rights and obligations of investor's interests over the rights of states, individuals and communities. Trade is an opportunity for economic growth, but not a guarantee that such growth will benefit women. The poor are very vulnerable to trade reform's adjustment costs and yet are the least able to tolerate those costs. Since many poor are unemployed or marginalized in the precarious sec-

tors of the informal economy or in export processing zones where women are concentrated, they are often excluded from or afforded lesser labour market protections and do not have access to trade reform's competitive gains. As well, given that women predominate in areas such as agricultural products, textiles and apparel where there are issues concerning tariffs and quota arrangements, including the 2005 end of the *Multi-Fibre Agreement*, these gender impacts must be addressed in the Doha Round of trade negotiations and at the WTO.

Reorienting the global trading system so that women are more frequently the "winners" requires a transformative approach with gender equality 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 United Nations Conference on Trade and Development 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 countries' equality promoting obligations under national, regional and international equality standards and development policies.

At the same time as the world was developing the global trading system, the world was also developing and agreeing to a series of important gender equality instruments which were intended to govern those practices. The right to a labour market free of gender discrimination is a fundamental human right and an ILO Core Labour Standard. Since the adoption of the ILO's *Equal Remuneration Convention* in 1951, and continuing to the present with the UN Commission on Human Rights' 2005 *Beijing +10* March 2005 resolution, world governments have highlighted the

importance of establishing and enforcing 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 nature of women's labour market discrimination and the requirement for proactive measures by governments, employers, and trade unions. Numerous UN instruments complement the ILO Conventions including 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* and other regional instruments such as the Inter-American Commission on Human Rights. 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.

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, the Office of the High Commissioner for Human Rights and Inter-American Commission on Human Rights along with civil society organizations such as the International Gender and Trade Network, Network Women in Development Europe (WIDE), Human Rights Watch, Global Unions and the Centre of Concern have developed a significant body of knowledge on engendering trade practices which can be shared and learned from.

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Global Compact is organic

PRINCIPLES

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freedom of association and the effective recognition of the right to collective bargaining;

4. The elimination of all forms of forced and compulsory labour;

5. The effective abolition of child labour; and

6. The elimination of discrimination in respect of employment

and occupation.
Environment

7. Businesses should support a precautionary approach to environmental challenges;

8. Undertake initiatives to promote greater environmental responsibility; and

9. Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

10. Businesses should work against all forms of corruption, including extortion and bribery.

The wording of these principles has changed slightly since the inception of the Global Compact, as have the reporting requirements on participants. In the first principle, a reference to human rights has become "internationally proclaimed human rights." Initially, there were only nine principles. The anti-corruption principle was added later. The organic nature of the Global Compact may be one of

its strengths but it is also one of its weaknesses: businesses signing on to the Compact may find it to be quite a different creature five years from now.

The organic nature of the Global Compact reflects the organic nature of international law and international organizations, which themselves are evolving in response to the demands of globalization. For the immediate future, efforts to regulate the global economy will continue to rely on domestic implementation and

enforcement of international norms. Beyond trade agreements and the World Trade Organization, MNCs and their counsel need to be aware of the evolving status of multinational corporations in international law and the continued growth and expanding influence of international organizations and networks like the Global Compact.

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