

Gender Justice in Trade Policy:  
The gender effects of Economic  
Partnership Agreements

Advocacy Tool



## Overview<sup>1</sup>

Looking at Tanzania, Mozambique and Jamaica, One World Action/Commonwealth Secretariat's new research<sup>2</sup> explored the effects of Economic Partnership Agreements (EPAs) between the European Union and the African, Caribbean and Pacific (ACP) countries on women's rights and gender equality. It provides the first detailed economy-wide analysis of the likely gender effects of EPAs based on the goods tariff liberalisation schedules agreed by the three countries. The gender-aware framework and analytical approach developed could be used to examine other EPAs and other trade agreements.

**“Gender inequalities and trade interact. Trade reforms are likely to have gender-differentiated effects because of women's and men's different access to, and control over resources and their different roles in both the market economy and the household. In turn, gender inequality may limit the gains from trade, for instance through its impact on the process of innovation.”**  
Fontana, 2009

## Framework for analysing Trade agreements with a gender approach

Under an EPA, ACP countries are expected to offer duty-free access to “substantially all” EU imports. Assessing the likely impact of such agreement requires considering: the import competition effect on production and consumption and the revenue effect on the provision of public services. The strength of these effects will be determined by import increases and price decline in the ACP markets and will be felt differently by women and men in their roles as producers, consumers and users of services.

The organisation of production and reproduction differs from one society to another, yet it is based on the different gender roles and responsibilities ascribed to women and men. Locating women in their multiple roles will help in assessing the impact of trade on women and men.

A three-step framework was designed for this research. The first step is to develop a **detailed gendered picture of the economy** based on the following questions:

1. What is the gender composition of the labour force? In which sectors do women and men work? What is the proportion of female and male workers in sectors which will be exposed to competition from the EU? What is the gender composition of sectors with potential for expansion?
2. What are the working conditions, earnings and labour market segmentation? How easily could women and men who lose their job relocate to more dynamic sectors and access ‘decent’ forms of employment?
3. What is the access to and control over resources such as land, credit, inputs, etc. by gender?
4. What are the time burdens and gender division of household responsibilities?
5. What are the consumption patterns of different household?
6. What is the public provision of social services? How extensive, and who benefits?

The second step is to **review the lists of goods to be liberalised and those excluded**. The gender characteristics of production and consumption of selected products in these lists can then be analysed. The third step is to **examine the revenue effect of the tariff changes** from a gender perspective.

## Key research Findings

### Employment/Production effect

The employment and production effects of trade liberalisation on women will depend on the extent to which women are employed in the sectors sensitive to import competition, but most importantly, their ability to relocate to an expanding sector of production. Under an EPA, women's employment is likely to be minimally affected in Jamaica, Mozambique and Tanzania. Most of the products to be liberalised are not locally produced, nor are they major exports from the EU.

For instance, in Mozambique where women are concentrated in agriculture, only 3% of the goods to be liberalised are agricultural. The increasing availability of manufactured intermediate imports such as irrigation pumps and agro-processing machinery could contribute to enhancing small-scale women farmers' productivity. However, women's access to new technologies, information and other resources cannot be assumed and represents a typical gender disadvantage. Unless specific measures to facilitate women's economic mobility and occupation are taken, equitable access to those opportunities will remain unavailable.

Sectors such as dairy and fishery in Tanzania and several textiles and apparels sectors in Jamaica are other examples of protected sectors where women constitute the bulk of the workforce. It was not possible to assess if liberalisation of some female-intensive sub-sectors, such as knitwear in Jamaica, would be further impacted negatively; these sectors have been weakened already by competition from low-cost producing countries and relocation of some companies.

In Jamaica, any change due to liberalisation of goods will likely affect male (most probably unskilled or semi-skilled) jobs more than female jobs, since men are the majority of workers in agriculture and in industry.

### Consumption effect

If EU imports result in cheaper consumer goods, women could benefit as the primary home manager. But the findings from our research suggest that the consumption effect is rather regressive: imports, such as washing machines in Mozambique or gas cookers in Tanzania, will most likely benefit the wealthier as they are not consumed by poorer households. Increasing availability of household appliances could reduce the workload of wealthier women living in areas with good access to electricity (7% of Mozambican households have access to electricity and 0.2%, mostly in urban areas, own a washing machine), but an indirect effect could be a drop in demand for domestic workers, most of whom are women.

### Revenue loss effect

The loss of government revenue from tariff removal constitutes the most immediate and significant impact. The estimated revenue loss is larger for Mozambique (2% of revenue) where the bulk of liberalisation will happen in 2009, leaving very little time to compensate for lost revenue. By contrast, in Tanzania products with the highest tariffs will be liberalised in the last stage (2023) and in Jamaica only 1% of the loss will happen in the 2011/2013 period.

The loss of revenue from trade tariffs and likely consequent expenditure cuts may hinder a government's ability to pursue sound social development policies, which will affect women disproportionately. The Tanzanian government recently proposed cuts in the water and sanitation budget, despite evidence documenting a heavy time-burden for women and girls. Furthermore, a government's revenue substitution plan to replace tariff losses, such as indirect taxation (e.g. VAT on food), is likely to affect women's consumption patterns, thereby threatening household's food security.

## Key messages

- There are **three initial essential** steps to ensure trade liberalisation translates into economic benefits and social inclusion for all members of society, particularly women:
  1. A detailed gender picture of the economy;
  2. An analysis of the gender characteristics of production and consumption of products and services to be liberalised and excluded; and
  3. A gender analysis of the revenue effects of tariff changes.
- The extent to which the majority of women, especially poor women, will reap benefits from EPAs is not straightforward.
- A combination of measures and policies is needed to ensure that the benefits will not remain in the hands of the privileged few, or that complex power relations and socially-constructed gender roles will not deter women's ability to take advantage of new economic opportunities
- Policy changes are necessary in the negotiation and the implementation process, to ensure gender-equitable outcomes.
- The gender effects of trade policies are country- and agreement-specific. Adopting policies and measures responding to the needs and interests of women and men requires a gender analysis of each country and each agreement.





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## Reference

Fontana, M. (2009) *Gender Justice in Trade Policy: The gender effects of Economic Partnership Agreements*.  
One World Action

## Endnotes

- 1 This tool is based on the report: *The gender effects of Economic Partnership Agreements (EPAs): a synthesis of the findings from Tanzania, Mozambique and Jamaica*, written by Dr. Marzia Fontana.
  - 2 Dr Marzia Fontana developed the analytical framework, coordinated the research and wrote the synthesis report. Country research was carried out by Dr. Maimuna Ibraimo (Mozambique), Dr. Leith Dunn with Anneke Hamilton, Dr. Jessica Byron and Quaine Palmer (Jamaica) and Dr. Holger Seebens (Tanzania).
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