

Gender Sensitive Trade? A Feminist Perspective on the EU – Mercosur Free Trade Negotiations

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Almost everybody in the EU has heard about TTIP and CETA – but almost nobody knows that the EU is currently also resuming free trade negotiations with Mercosur¹. At the same time, there is a public awareness that free trade doesn't necessarily benefit everyone but criticism mainly concerns consumer protection, job security and the anticipated power shift from public institutions to private corporations. However, there were little publications on the impact of free trade agreements (FTA) on gender equality. How is this possible despite gender inequality being in the top 5 of the sustainable development goals of the UN²?

Why including a Gender Perspective?

Trade is seen as gender neutral in mainstream economics, meaning that it doesn't have an impact on gender equality. Neoliberal theory, advanced by international organizations like the WTO, World Bank, and IMF considers trade liberalization to benefit men and women equally and to reduce poverty by creating new job opportunities for women.³ Feminist economics have shown that it is necessary to take a closer look. Some women might indeed benefit by entering the workforce. However, there might be others that lose their job due to competition with imported products. It is crucial to note that liberalization affects countries and sectors differently. Given that women are a heterogeneous social group, the effects largely depend on their socio-economic position in society but also on women's positions within the family. As gender segregation in employment is still widely spread – for example while 90 % of the engineers in Brazil were male, there were 92 % of female textile workers in 2007⁴ -it has an impact on gender equality if one sector is more exposed to liberalization than another. However, it isn't sufficient to merely look at the paid production of goods and services. Parallel to the formal economy and informal work, there is an unpaid sector of household, community work, child care and reproduction – work that is mainly done by women. According to a survey in Argentina in 2013, 76 % of the unpaid work is carried out by women, the remaining 24 % by men⁵. One consequence is that a lot of Argentinean men probably don't know how to wash clothes. But a way more serious consequence is that women have less time for a

¹ Custom Union of Argentina, Brazil, Uruguay, Paraguay. Venezuela, Mercosur member since 2012, is not a party to the negotiations

² <http://www.unwomen.org/en/news/in-focus/women-and-the-sdgs/sdg-5-gender-equality>

³ See MacLaren, B. (2012): <http://www.nsi-ins.ca/wp-content/uploads/2012/11/2012-Monitoring-Future-FTA-Impacts-from-a-Gender-Perspective.pdf> ; Read also Van Staveren, I. (2007): "Gender indicators for monitoring trade agreements" in The Feminist Economics of Trade

⁴ More up to date data is unfortunately not available. See

http://www.scielo.br/scielo.php?script=sci_arttext&pid=S1413-80502010000200002

⁵ <http://economiafeminita.com/infografias/>

steady job and to get new qualifications. This deep structural inequality underpins labour market inequalities. Hence, trade policies that only focus on the paid economy will be gender biased, because they disregard the social obligations women have within their families⁶.

Gender Mainstreaming in EU (Trade) Policy

Gender equality is one of the founding values of the European Union. Its history dates back to the Treaty of Rome in 1957 where the principle of equal pay for equal work got established. However, it takes more than one declaration to achieve this aim – and certainly a lot of time as we can see today. A turning point was the Beijing Platform for Action held in 1995. Since this UN Women’s conference a gender perspective has been integrated into a broad variety of policy areas – the idea of the so called “gender mainstreaming” was born. Shortly after the conference the European Commission (EC) committed itself to integrating a gender perspective in all policies in 1996⁷. In Article 8 TFEU it is written that “in all its activities, the Union shall aim to eliminate inequalities, and to promote equality, between men and women”⁸. In addition, the EC regularly develops a more concrete “strategy for equality between men and women”. In its 2010 – 2015 strategy⁹ a paragraph is dedicated to trade policy. Sustainability Impact Assessments (SIAs) are explicitly mentioned there as a tool to address the issue of gender equality. However, in the current strategy for 2016 – 2020¹⁰, trade is only mentioned superficially. Let’s have a closer look at whether and how gender equality is integrated into EU trade policies and explicitly the free trade negotiations with Mercosur.

A good starting point is to check the strategy “Trade For All”¹¹ by DG Trade. Commissioner Malmström claims in the foreword of the publication that the new approach will ensure that “EU trade policy is not just about interests but also about values”. Given that gender equality is elsewhere proclaimed as a founding or core value of the EU it is surprising that it is not even once mentioned in this trade strategy.

This lack of policy coherence has been addressed by the European Parliament (EP). In 2015 it published the in-depth analysis “The EU’s Trade Policy: from gender-blind to gender-sensitive?”¹² which underscores the fact that trade affects women differently than men both in terms of employment opportunities and as receivers of public services. Regarding the EU Trade Policy it assesses that there is a “lack of full understanding of and commitment to gen-

⁶ Elson, D., Grown, C., & Van Staveren I.: “Why a feminist economics of trade?” in *The Feminist Economics of Trade*

⁷ EIGE: <http://eige.europa.eu/gender-mainstreaming/what-is-gender-mainstreaming>

⁸ <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A12012E%2FTXT>

⁹ http://ec.europa.eu/justice/gender-equality/files/documents/strategy_equality_women_men_en.pdf

¹⁰ http://ec.europa.eu/justice/gender-equality/document/files/strategic_engagement_en.pdf

¹¹ http://trade.ec.europa.eu/doclib/docs/2015/october/tradoc_153846.pdf

¹² [http://www.europarl.europa.eu/RegData/etudes/IDAN/2015/549058/EXPO_IDA\(2015\)549058_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/IDAN/2015/549058/EXPO_IDA(2015)549058_EN.pdf)

der equality” in DG Trade and concludes that gender mainstreaming hasn’t been considered as a priority. The feminist network WIDE+ has come to the same conclusion.¹³ WIDE+ also welcomes recommendations to improve the gender assessment in the SIAs and demands that they are done at the beginning of the negotiations. Further recommendations by WIDE+ for a more coherent approach of the EU towards gender equality are taken up below.

EU – Mercosur FTA: A good thing is worth waiting for?

More than 20 years have passed since the two trading blocs signed an inter-regional Framework Agreement in 1995. Back then the idea already was to use this as a framework for a more comprehensive bi-regional association agreement. Negotiations were launched in 1999¹⁴. However, negotiations for such an agreement based on political dialogue, cooperation and the establishment of a free trade area only advanced stagnantly and were even temporarily suspended. But in the last months, since May 2016, they gathered pace again. The timing of the re-launch of negotiations is not coincidental, but provoked by political change in Mercosur countries. The two largest economies - Argentina and Brazil – both recently underwent a change of government and are now governed by neoliberal and conservative heads of states that are in favour of a new trade deal with the EU.

On the EU’s side, time was used to compile a Sustainability Impact Assessment (SIA). DG Trade uses this tool to predict the “potential economic, social, human rights, and environmental impact of ongoing trade negotiations”. As mentioned above, this offers the opportunity to also analyze potential effects on women and gender equality. The SIA on Mercosur was done in 2009. It doesn’t contain a separate chapter on gender (equality) but gender issues are addressed several times. The overall conclusion of the study in relation to gender is that “Gender impacts are expected to be mixed and relatively small”¹⁵. In the section on “Rural Livelihoods, Decent Work Conditions and Gender Issues in Mercosur” it is indicated that new land conflicts could arise as a result of increased competition for new arable land. Small scale (female) farmers “could be the losers of that process”. This formulation hides the devastating consequences of an increase in land demand. Especially the export-oriented soy production in Argentina and Brazil that is in the hands of a few is a threat to both subsistence farmers and indigenous communities. Because of unclear land rights these groups are at risk to lose not only the land they and their families live on but also the land they live off¹⁶. In the SIA women are considered as one of the most vulnerable groups amongst the rural popula-

¹³ <https://wideplus.org/2015/09/28/wide-intervention-to-the-study-commissioned-by-the-ep-the-eus-trade-policy-from-gender-blind-to-gender-sensitive-22-september-2015/>

¹⁴ <https://polcms.secure.europarl.europa.eu/cmsdata/upload/90cebd80-adc5-4bdb-9d95-cfaed59566ed/DV1031566EN.pdf>

¹⁵ SIA (2009): http://trade.ec.europa.eu/doclib/docs/2008/november/tradoc_141394.pdf

¹⁶ <http://www.mdpi.com/2071-1050/1/4/1120/htm>

tion in all Mercosur countries. According to the study this results from unequal employment opportunities, especially in the formal sector, and “differentiated access to and control of land and other productive assets”. Furthermore, a more differentiated analysis of the Mercosur countries is not included. Considering that the agricultural sector in Argentina is highly industrialized whereas subsistence farming, often headed by women, is widely spread in Paraguay, it is clear that trade liberalisation will have different impacts.

Moreover, the SIA glances at the possible impact on women in the manufacturing sector. The final conclusion here is that the “overall gender impact is expected to be relatively neutral” (SIA, 2009) although there might be impacts on particular industries, where female employment is concentrated. The general pattern suggests the assumption that women are concentrated in low-skilled processing jobs, for example in the textile sector. Besides a further analysis of these specific sectors it is generally of interest to study the impacts of changes due to trade liberalisation. Impacts on a highly male dominated export-oriented sector like the automobile industry also have indirect impacts on women’s lives. If their husbands lose their job due to increased import competition, these men will probably be frustrated and domestic violence against women might increase. Clearly, there are much more dimensions to take into account than dealt with in the SIA.

Two effects are completely missing in the paper. Besides the changes in employment structures and wages, changes in prices of goods affect consumption patterns. Increasing import competition may lead to lower prices. Women may benefit in their roles as consumers and care-givers. At the same time these changes in consumption patterns might provoke a decline in demand of local products and small producers - often women - may suffer. The second effect not mentioned is on public services. Tariff reductions might lead to a loss of government revenues, resulting in privatisation and cuts for social programmes. Again women will be hit hardest because of their social obligations within family and society.

In summary it can be said that the SIA on Mercosur is only scratching on the surface of the impacts on women by not integrating the diversity of the countries and their sectors into their considerations, and by neglecting the analysis of indirect impacts on women through changes in men’s employment or public services. Gender equality can neither be analysed nor achieved if only women are looked at. Furthermore, it needs to be said that the SIA is not binding – therefore it remains unclear if and how the findings of the SIA are used by the negotiators.

What can the EU do; what should it do?

First of all, there is a need for political will on both sides of the negotiation teams. The importance of gender sensitive trade policies needs to be recognized and commitments need to be made. EU Chief Negotiator Sandra Gallina should ensure that a gender perspective is in-

cluded in the negotiation process and that there is a strong Trade and Sustainable Development chapter of the association agreement.

Secondly, a more comprehensive gender impact assessment has to be done. The various effects on women's lives should be thought through, especially on Mercosur countries, where women tend to be in weaker positions than women here in the EU. The questions raised should address the direct effects on productive structures and the labour market, but also the impacts on consumption habits and indirect effects on the social life and equality. Women's organisations emphasise the importance to analyse the relationship between free trade and the social and reproductive roles of women¹⁷.

Will there be a job increase in the exporting sector? If so, are women likely to be employed or will their social roles prevent them from benefiting? How will wages be affected and under what conditions will women be working? To what extent will the reductions of trade taxes restrain the public budget for social services and will women have to take over these services? But it is not only necessary to look at the absolute consequences for women, but also to consider the consequences relative to men. Will liberalization contribute to a more equal relationship between men and women, also with respect to reproductive and social tasks? If women earn more, does this increase their independence? Is domestic violence likely to increase? Will the process of urbanisation be accelerated and which roles will women and men adapt to? These questions shall only serve as an example of the variety of issues that should be included into a serious SIA. It shall illustrate that there is a need for further empirical analysis.

However, research on gender trade effects are limited by a lack of gender-specific data. Therefore, it is important that the EU demands its trading partners to start collecting sex-disaggregated data. Case studies on key sectors that are most affected by trade – sectors that might face import competition and export sectors – provide a useful tool to better predict the possible effects on women's lives and to counteract the negative ones. Based on these findings the Mercosur negotiation team has to decide how to prevent harm: either by excluding certain sectors from the agreement or by putting in place accompanying policies to counteract possible negative effects.

Women's organisations have drawn general conclusions from previous FTAs like NAFTA or the EU-Korea FTA. Based on their work there are several recommendations or claims to make:

¹⁷ WIDE, GEM & CISCA (2001): International trade and gender inequality: A gender analysis of the trade agreements between the European Union and Latin America: Mexico and Mercosur

1. Intellectual Property Rights (IPR) should be excluded from the deal. Women generally have a higher consumption of drugs and preventatives due to their reproductive function, physical and psychological violence that they often experience and the fact that they tend be poorer than men. Therefore women suffer most from patents that prohibit the production of affordable generics.

2. No liberalisation of the public sector. Even if it is not explicitly mentioned in the agreements, FTAs tend to favour privatisation. Therefore, it is important to ensure, that key public services like health care, sanitation and education remain in the hands of the states. Again due to the multiple responsibilities in the social sphere women will be hit stronger than men.

3. Investor state dispute settlement (ISDS) should not be part of the deal. Policies that favour women risk to be interpreted as a “barrier to investment” and national governments might be prosecuted by firms for adopting them – or governments won’t adopt them fearing prosecution.

4. Inclusion of strong labour chapters. Binding clauses on labour standards that offer explicit protection to women working in precarious or informal conditions like domestic workers or seamstresses.

And finally, explicit mechanisms to monitor and enforce these policies and commitments have to be developed and implemented. Civil society experts should be integrated in this process. To come up with a gender sensitive trade agreement complementary policies are important, binding implementation mechanisms are every bit as important. Trade is neither necessarily beneficial nor harming but certainly not gender-neutral. To assure that women in Mercosur countries will benefit from an association agreement with the EU its gender impacts need to be analysed carefully and accompanying policies and measures need to be taken.