

But what about Women? Gender Disquiet in International Trade in Arab Countries

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Trade is as an engine of growth and development. Arab countries should be deeply committed to inclusive systems for economic growth that enable men and women alike to seize the opportunities inherent in an open, dynamic, and market-based economy. The solution to gender disparities exacerbated by free trade is not to shut down trade, but to strive for greater equality of opportunity for women.

The inequality gap between women and men is especially profound in the economic sphere and, considering recent trends, this is where the gap would take the longest to close. This in turn reduces economic growth and competitiveness. For example, in the Middle East, it is estimated that about US \$575 billion is lost due to gender discrimination.¹ Gender equality is one of the sustainable development goals (SDG) of the UN 2030 Agenda to which governments, businesses, civil society and other actors of the international community have committed. Trade liberalization can generate increased exports and with them new jobs and income, facilitating the empowerment of women. International trade interacts with gender equality in different ways. Trade impacts women through different transmission channels such as employment, access to financing, consumption.

In Arab countries, data pertaining to women's economic engagement is poor. In the case of women's export entrepreneurship there is an almost complete lack of data. There must be routine procedures for collecting information on women participation at the point of business-government contact. Indeed, there is almost no data pertaining to trade policy and trade facilitation that is consistent in definition, regularly maintained by the majority of countries, and disaggregated by sex.

In Arab countries, women-owned enterprises are generally smaller, less capitalized, and more often at the earlier stages. Arab women constitute the majority of factory employees, particularly in the garment, food-processing, and technology sectors that have been so critical to expanded international trade in Jordan. Women are dramatically underrepresented in leadership and management positions. Why women hired in the garment industry? Women provide a cheaper and more flexible source of labor than men and thus are preferred by employers seeking to expand exports by lowering labor costs, raise flexibility of hiring and firing in response to fluctuations in lowering product demand, and to minimize the bargaining power of workers on issues of overtime, workplace safety and collective bargaining. The focus of female employment is in free trade zones (such as QIZs). Trade is not assumed to be based on relative factor abundance but on the ability of firms to compete over unit costs of production, or on the basis of absolute advantage. Women workers can create a

¹ See Gaëlle Ferrant and Alexandre Kolev, The Economic Cost of Gender-based Discrimination in Social Institutions, Development Center of the OECD (2016).

competitive advantage for export-oriented firms that are engaged in price-cutting competition in the international market.

The demand for women's labor appears to be declining as export production is restructured (some moving to China) and becomes technologized. More specialized skills are required and this often translates into an increase in the demand for male labor and a reduced demand for female labor.

In the MENA region, however, women-owned enterprises report lower levels of “internationalization” than those owned by men. Female entrepreneurs frequently lack infrastructure or resources, including business finance, for trade across borders.

There are no large companies owned by a woman or have a woman in a decision-making position. Companies owned by women tend to be smaller and are concentrated in certain sectors such as commerce, beauty and food services which have lower entry-barriers and profits. The women-led export companies tended to hire proportionately more women and were concentrated in the textile and clothing sectors.

How is this apparent and why do you think this inequality is present?

This state of affairs is because of societal patterns i.e. role of women within society and family. Some say that women are too emotional for greater roles in corporations. In some parts of the Middle East, restrictions on women's ability to travel within or beyond their immediate communities mean that their ability to transport any goods they produce is significantly limited. It also restricts their ability to work outside of their homes.

The impact of trade on women in Arab countries varies by industry and location. For example, trade expansion may exacerbate gender disparities in agriculture-based economies in Sudan, but reduce them in economies with an important manufacturing sector such as Egypt.

Gender Issues and Free Trade Agreements

Thus far, there is no free trade agreement among Arab countries themselves or between Arab countries and other countries such as the U.S. that incorporates gender issues into its provisions. If this interpretation stands, indirect reference to gender can be inferred from the broader objectives of sustainable development mentioned in the preambles of these trade agreements. This language is declarative with no specific commitments and mechanism for enforcement. There are no clear and direct provisions in these free trade agreements that consider gender equity in relation to the rights, benefits, obligations and opportunities. There is no reference to the UN Convention on the Elimination of All Forms of Discrimination against Women, 1979 (CEDAW), to the 2030 Agenda for Sustainable Development, as well as other agreements on gender equality and women's rights. There are no Gender Committees in these agreements.

Conclusions

There are four areas to promote the participation of women as workers, managers and entrepreneurs: statistics and databases to support the development of promotion instruments; economic and trade policies with a gender perspective to increase the participation of women in international trade; labor policies to increase formal employment and reduce the wage gap in the export sector; and complementary policies to create synergies between social, educational, gender, security and institutional policies.

Economic empowerment for women does not involve a “quick fix.” It will take sound public policies, a holistic approach, and long-term commitment from all development actors.

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