

The purpose of this submission is to support Australia's efforts to achieve gender equality internationally and what should the DFAT consider when developing the new international gender equality strategy. The sector chosen is international trade policy. The submission highlights the issues involved in trade policies regarding gender equality and how they can play an effective role in advancing gender equality by enhancing women's economic empowerment not only within the country but also beyond borders through trade agreements.

Trade policies and agreements influence the opportunities for women and men to benefit from international trade. However, the impact of trade policies is shaped by the structure of markets and institutions and the gender inequalities that are embedded within them. Trade policies developed with a gender perspective can help overcome gender inequalities by opening new opportunities for employment and prosperity resulting in women's economic empowerment. Robust measurement of the impacts of trade helps in understanding the differing effects it has on women and men. The purpose of this submission is to explain the role and importance of trade policy in advancing gender equality and its direct and indirect impact on women's economic empowerment.

Gender-responsive trade policies and rulemaking can create an ecosystem that supports women's economic empowerment which contributes to strengthening women's resilience in crises. Gender equality and women's economic empowerment are therefore essential to support sustainable peace and development.

Normally, it is considered that trade policy is gender-neutral as no country imposes tariffs or nontariff measures by gender. However, an analysis of the gender dimension of trade policies reveals important differences. It transpires that trade policies affect women and men differently. For instance, women hold a disproportionate number of jobs in the clothing sector and make most clothing purchases as family members. However, tariffs on garments remain stubbornly high compared to tariffs on other manufactured goods. This disparity amounts to a 'pink tariff', hurting women consumers across the world and keeping women workers in developing countries from broader export opportunities and better jobs. Likewise, the reduction of tariffs may benefit women in their role as family providers and caregivers, if price reductions affect imported products that represent a relevant part of the household consumption basket. However, it can negatively affect the sectors where women are active workers, depriving them of employment opportunities, and pushing them towards the informal sector.

Loss of government revenue through tariff reductions can affect women adversely as consumers of public services if the government cuts back on social expenditures to make up for revenue loss. Apart from cutting social spending, governments may try to offset lost tariff revenues by increasing tax rates in other areas. Women and men are likely to be affected differently by tax policies because of the different roles and responsibilities they have in the economy, which is itself a gendered structure.

Businesses involved in international trade employ more women. In developing countries, women make up 33 per cent of the workforce in firms that engage in trade, compared with just 24 per cent in non-exporting firms. Trade also creates better jobs for women. Workers in both developed and emerging economies are almost 50 per cent more likely to be employed in formal jobs if they work in sectors that trade more or that are more integrated into global value chains. Countries that are more open to trade, as measured by the ratio of trade to gross domestic product, have higher levels of gender equality.

Gender statistics and data disaggregated by sex with an intersectional approach are key to analyzing the gender impact of trade policy, and subsequently to strengthening policies so that they advance the equal economic empowerment of women and men. When policymakers have the relevant data to determine trends over time, they can use trade agreements to remove barriers and create opportunities for women-owned businesses and women workers. With the right sectoral and gender data, policies could target for example tariff reductions and non-tariff measures for products and services typically purchased or produced by women.

The trade policies affect different segments of the population, including men and women, in different ways, and they are not 'gender neutral'. The trade policy can play a critical role in narrowing the gender gap and increasing women's economic empowerment if policymakers consciously take into account existing gender inequalities. Trade is helping women reinvent their traditional roles due to global value chains, the digital economy, and modern services. By increasing trade, countries can help promote a more equitable future that benefits everyone. However, trade alone cannot change the fact that women are underpaid and underemployed as compared to men. Despite progress, the deck is still stacked in favour of men.

Trade policy may influence women's economic empowerment directly as well as indirectly. Besides their participation in paid economic activities as workers, producers, small entrepreneurs and

traders, women are also affected by trade policy in their roles as consumers. This is because women purchase food and other goods for their families and use public services to a greater extent than men. The impact of trade policies on gender equality and women's economic empowerment is, therefore, highly context-specific and depends on the economic role that women play i.e. as workers, producers, small entrepreneurs, traders, consumers, and taxpayers. For instance, trade policies can have an impact on women as workers, depending on the work they are doing and whether that sector is likely to expand or contract as a result of a free trade agreement. Therefore, trade liberalization initiatives need to be evaluated on a case-to-case basis. Policymakers should recognize that there are losers as well as winners in the trade liberalization process and that losers need to be identified, compensated, and supported during the transition period.

In this regard, there is a need for complementary policies on both the supply and demand sides of the labour market. Education policy plays a critical role on the supply side. In addition to reducing gender inequalities in formal education, on-the-job training and skill development programmes are critical to shift women toward higher-value-added sectors. On the demand side, it is necessary to introduce policies that support the production and trade capacity of firms in higher-value-added sectors and that advance women's participation in these sectors. Gender equality needs to be considered as a cross-cutting issue in policymaking. Domestic policies need to target various forms of gender inequalities and be implemented in coordination with trade policy to support women's successful participation in international trade.

Policymakers can use trade agreements to support opportunities for women, for example by reducing or removing barriers to trade in areas where women-owned businesses are thriving, but applying an intersectional lens is essential to ensure that they fully support women's economic empowerment. However, in many countries, the complexity of gender inequalities combined with the lack of data and inconsistent definitions are an impediment to developing more gender-responsive trade policies. Addressing trade barriers requires the systematic collection of data that breaks down the inequalities faced by women as workers, entrepreneurs, consumers, or producers. A conceptual framework for measuring the gender impacts of trade policies and agreements would be helpful in identifying data sources, organizing statistics in a useful way with trade partners, and revealing where data gaps exist.

Trade policies can play a more effective role in women's economic empowerment if women are better represented in the decision-making process regarding trade. Gender-equality-related goals in trade agreements should be accompanied by financial provisions and monitoring mechanisms to improve their efficacy. Development assistance programmes, such as Aid for Trade, need to be better designed to reach small entrepreneurs, many of whom are women. Gender equality should be considered a common responsibility for all, and policies should be coordinated accordingly at the national, regional, and international levels. It is also important to note that effective trade policy works in tandem with domestic policy to support women's economic empowerment.

Gender provisions and chapters in trade agreements could be improved in several ways. For example, women, women's groups, and other civil society representatives could be more involved in the negotiation, design and implementation stages of trade agreements. It would be valuable to ensure the use of the findings of ex-ante gender impact assessments. Direct policy measures to prevent or redress negative gender impacts would be valuable in the agreement or its domestic implementing legislation. Moreover, gender-related provisions would be more effective if they were brought within the agreement's cooperation, monitoring and other implementation, and supervisory mechanisms. Moreover, trade agreements can be made more gender-sensitive by broadening gender-equality cooperation activities in existing Free Trade Agreements (FTAs), enhancing the enforceability of gender provisions and chapters, and strengthening gender-differentiated assessments in National Interest Analyses for FTAs. Furthermore, trade facilitation measures may be prioritised that support women-led businesses, such as addressing the challenges faced by Small and Medium Enterprises (SMEs) to be approved as Customs Authorised Economic Operators, and increasing the involvement of women-led businesses in the National Committee on Trade Facilitation.

In addition to the foregoing, trade facilitation is an important mechanism that could improve women's economic empowerment through trade policy interventions. Women's lack of knowledge about trade rules and customs procedures, limited network of information, low literacy that makes paperwork hard to do, unpaid work burden, and bribery and sexual harassment at borders all create barriers to trade for women. Trade facilitation initiatives, therefore, benefit women to a greater extent than men by easing trade procedures and lessening the adverse effects of these barriers.

Gender inequalities in different domains of economic and social life may affect a country's competitiveness and export performance. Limited numbers of women entrepreneurs trading

internationally, fewer opportunities for women to participate in trade-related jobs, and high levels of unemployment can have a serious and detrimental impact on the economy, leading to lower consumption, higher poverty and declining well-being of women, men and their families.

While men and women are affected differently by trade policies, gender inequalities, in turn, impact trade policy outcomes and economic growth. One fundamental way in which gender equality can have a sustained positive impact on economic growth is through greater accumulation of human capital of women and girls, which is a crucial factor for the development of national productive capacity. A more productive workforce, through greater gender equality in employment and education, increases the rates of return on investments and attracts more investors. In addition, the cases in which girls' education had the greatest impact on growth were in areas inter alia where countries had a sizeable export-focused manufacturing sector. Moreover, studies on the determinants of economic growth suggest that the countries where income inequality and gender discrimination are lower, tend to grow faster. There seems to be a strong correlation between gender equality, competitiveness, and GDP per capita.

In a nutshell, trade policy plays an important role in promoting gender equality. However, its impact is influenced by gender inequalities that are entrenched in markets and institutions. Due to these inequalities, the impact of trade policy is different for men and women. Gender disaggregated data with cross-sectional analysis can help policymakers to align trade policy and other policy measures for providing equal opportunities to men and women. Trade policy has a direct and indirect impact on women's economic empowerment. However, any measures under trade policy for women's economic empowerment will not give the desired results if other domestic policies are not aligned accordingly. In this regard, better representation of women in policy and decision-making, trade facilitation initiatives tailored to women traders, and proper enforcement of gender-related provisions in FTAs can help to improve the situation. If the issues relating to gender equality and women's economic empowerment are not addressed through effective policy initiatives, they have serious fallouts on a country's economic and social conditions.