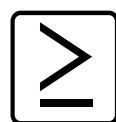


# POLICY BRIEF



InterAgency Institute  
BEYOND INSTITUTIONAL BOUNDARIES

## WTO POLICY DIFFUSION MECHANISMS ON GENDER AND TRADE

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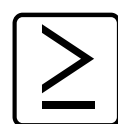
### POLICY STATEMENT

Although for some decades the debate on women's economic empowerment has permeated discussions within the scope of several international governmental organizations, it was only in 2017 that these issues found space in the World Trade Organization (WTO). Despite the criticism around the use of the concept of economic empowerment by different international organizations, in general, it refers to the promotion of women's capabilities to form their own action and gain autonomy within the economic sphere. One of the main challenges of the WTO's Trade and Gender initiative has been to sensitize decision-makers and negotiators to the fact that trade policies have different effects for men and women, given the different positions they occupy in within the economy scope. In light of this fact, various mechanisms of political diffusion have been adopted in order to promote the application of the gender lens to trade policies.

### BACKGROUND

In general, women's economic empowerment is defined as the expansion of their capacity to act by gaining greater access to the world of work. And, as a direct result acquire, financial independence. Critics of the concept highlight that, while in at its start, female economic empowerment took on the form of collective mobilization geared towards the change of political structures and development models (bottom-up), it now currently focuses on the individual's ability which demean the point of the collective movement. Furthermore, its use has legitimized top-down development policies and programs [1]. Due to the gradual institutionalization of the concept by different international governmental organizations, including those with competence over international trade [2], its current instrumentalization has been classified as liberal empowerment, rather than liberating empowerment [3].

One of the most comprehensive surveys on trade and gender suggests that although women manage approximately 10 million small and medium-sized businesses around the world (those responsible for approximately 80% of jobs), only one in five of these operates on the international market. Multiple factors can be blamed for leading to this underrepresentation: cultural and regulatory barriers; pressure of meeting deadlines involved; the burden (since most of the housework still falls on women); difficulties in accessing the financial market, and digital access, among others [4][5].



At the WTO, the topic began to be debated when, in December 2017, 118 members and observers voluntarily adhered to the Declaration on the Economic Empowerment of Women, during the Ministerial Conference [6]. This pioneering initiative favored the establishment of a focal point for such discussions and in 2021, the document was updated under the name of the Joint Ministerial Declaration on Gender Equality and the Economic Empowerment of Women in Trade, with the support of 121 members [7]. In practice, the Declaration's commitments do not legally bind signatories who contribute with affinity, to the achievement of its objectives. By upholding the aforementioned documents, a significant number of members recognize that the organization has a role in promoting the introduction of gender as an analytical category in trade policies and its role regarding improving women's lives.

In addition to recognizing the need for transparency in policies to promote women's economic empowerment and the removal of barriers, the text provides four lines of action for the actors involved: i) sharing of good practices and exchanges of experiences among members regarding policies and programs on removing barriers related to women's participation in international trade flows; ii) to consider the scope for applying a gender lens to WTO work; iii) review the analytical work carried out by the Secretariat iv) contribute to the Aid for Trade work program, with the aim of increasing women's participation in international trade flows [7].

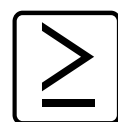
This initiative within the WTO – and activities coordinated with other organizations, such as the World Bank, UNCTAD, OECD and ITC [8] – seeks to explore and discuss issues related to the role of international trade for the economic empowerment of women. Recognizing the WTO as an agent for the diffusion of trade policies, as well as for identifying the mechanisms adopted in this process, is essential to analyze future steps and policies on this subject in various countries.

## FINDINGS

For the analysis and discussion of the results, the approach includes five different mechanisms through which international organizations act in the dissemination processes: discursive dissemination, formation of standards, coordinating functions, technical assistance and financial means [8].

Discursive dissemination consists of transmitting ideas and good practices on a given topic to decision-makers in the considered states and, when possible, to other social actors. With a soft character, it seeks to introduce and promote the learning of the proposed subjects. This mechanism was what allowed both the inclusion of a gender perspective within the WTO, as well as the expansion of dialogue with other actors, such as researchers and experts from other international organizations, academia, and the private sector.

This mechanism is observed in the institutional dynamics of the meetings of the Informal Working Group on Trade and Gender, having been established in September 2020, open to the participation of all



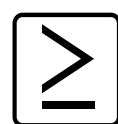
members, and whose objective is to guide the initiative's lines of action. [10]. A recent report on the activities of this group highlights that members have advanced in technical work to improve understanding of the nexus between international trade and women's economic empowerment and how this issue is linked to trade policies [11]. Many reports, communiqués and reports of members' experiences have circulated at these meetings. The discursive dissemination mechanism is also evidenced by the activities of the "Gender Research Hub". This platform brings together researchers from the WTO Secretariat and other international organizations, as well as experts from the private sector, non-governmental organizations, and think-tanks with the aim of presenting and discussing recent research results, sharing new perspectives, and ultimately discussing the multidisciplinary aspects of related aspects of trade and gender. The main sets of research under this scope are also published in this space, thus giving access to the most recent studies [12].

The formation of standards is related to regulatory capacity, that is, it is observed when an international organization acts in the elaboration of conventions, rules, recommendations, or treaties. It is known that in the WTO, this mechanism is "member-driven", which means that any proposal must come from a member or group of members, according to institutional rules. For example, proposals for new agreements or amendments to existing agreements must observe legal provisions for decision-making, that is, proposals must secure prior consensus in formal groups and consensus within the General Council, which will forward the proposal in a bid to gain approval by the Ministerial Conference, maximum decision-making body.

What is observed in relation to the Gender and Trade initiative does not yet take on the contours of a proposal for a new agreement. However, it is important to highlight that some WTO agreements and tools were previously discussed in informal working groups, to diagnose the convergence points among the members or to define the scope for deepening or clarifying existing norms and rules, before the submission of a formal proposal. The dynamics among the members will define whether the formation of a standards mechanism will be done, with regards to this theme in the future.

The mechanism identified as coordinating functions is observed when an international organization assumes the role of monitoring certain issues. There are several ways in which this mechanism can be applied, including the establishment of rankings and comparisons among actors, "naming and shaming", and the inspections or mechanisms of dispute settlement. Evidence of milder forms of this mechanism is identified across a range of activities, but primarily in the Secretariat's efforts to collect member data and encourage the inclusion of gender-sensitive trade policies in trade policy review reports. The Secretariat highlights that since 2018, 55% of trade policy review reports contain information about their trade policies with some gender bias (total, 25 out of 45 reviews conducted between January 2018 and September 2021) [13].

Finally, two of the most traditional mechanisms geared towards encouraging states to implement certain policies are the provision of technical assistance and financial support. While technical assistance in



general, aims to strengthen the capability for the implementation of measures, financial assistance will be directed in the form of donations or loans.

Technical assistance in the field of trade and gender was called the “Trade&Gender 360°” strategy, as it has training programs for officials working in government agencies and for women entrepreneurs. Among other points, the training for governmental agents aims to raise awareness of how international trade opportunities have the ability to impact women's economic empowerment, explain that international trade and its rules are not in fact gender neutral, and assist them in the integration of gender issues into trade policies. The training scheme for women entrepreneurs is still in the implementation phase, but it aims to prepare them by regarding the rules and norms applicable to international commercial operations. This program will be implemented in partnership with other international organizations to strengthen their export capabilities and expand opportunities for accessing international markets [14].

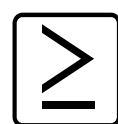
The financial assistance mechanism has been operationalized through the Aid for Trade initiative, whose focus is to bring donors and recipients together regarding financial support for the implementation of policies and actions that allow their involvement in international trade [15]. It is understood that there is a clear mandate of the initiative, in the sense of contemplating the demands created by the gender perspective within the general context of sustainable development. However, between 2006 and 2017, approximately US\$3.4 billion was directed to specific gender-related programs and projects (less than 1% of total US\$300 billion investments). A total of US\$45 billion was spent on programs and projects where gender was cited as one of the goals (12% of the total) [16]. A survey is currently underway - through the use of questionnaires sent to members - in order to identify the needs and ways to integrate a gender approach to projects upheld under the Aid for Trade initiative.

Considering the results, it has been remarked that multiple mechanisms have been used by the WTO and its members engaged in the application of gender lens to trade policies. For the time being, this debate does not yet assume the contours of a formal negotiation (formation of standards), however, it has demonstrated that eventual resistance to dialogue on the subject can be handled by certain learning processes (via mechanisms of discursive dissemination and coordinating functions) or the provision of technical and financial assistance.

## CONCLUSIONS

Raising society's awareness of the different challenges faced by men and women in all spheres of life, including the economic, has been a slow and gradual process. Holding debates on gender at the WTO aims to propose reflections and actions on how (and if) the organization might be able to contribute to reducing inequality between men and women.

The trade and gender initiative has thus used most of the policy diffusion mechanisms proposed by the analysis model. It has established a dynamic that allows members to voluntarily engage in



multidisciplinary and collective learning processes, becoming familiar with concepts, exchanging experiences, and exploring implementation alternatives. Furthermore, capacity building and the possible availability of financial resources should encourage the implementation of worldwide gender-sensitive policies. It is critical to recognize the WTO as an organization that holds the potential for political diffusion, that surges far beyond the traditional implementation of binding norms and rules which have already been established by negotiated treaties.

It is also worth mentioning that, at the WTO, formal negotiations for new agreements usually begin long before the presentation of the first proposals to the decision-making bodies. It is still too early to say whether this process will culminate in the formalization of proposals for a new agreement, considering it must observe institutional legal rites. Following these debates in the coming years will surely be worthwhile, thus gaining the opportunity to identify convergences and divergences among the members and, above all, what commitments members will pledge to regarding the subject.

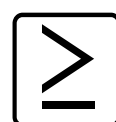
## RECOMMENDATIONS

The dynamics of the work being done in connection with various mechanisms of political diffusion open up opportunities on some fronts, including: i) decision makers in the domestic sphere; ii) academia, experts, and social actors; iii) women entrepreneurs.

Decision makers at all levels of the domestic sphere have the opportunity to incorporate innovations and strategic concepts, obtained through processes of “importing public policies”, which includes the possibility for reliance on technical or financial support. The academy, experts and other social actors have an additional incentive to deepen gender aspects in their research and producing information that contributes to the expansion of the debate. Having women entrepreneurs lend their participation will be heavily dependent on their access to information and opportunities. It is essential that capillarity of these dialogues is real so that given contributions and challenges are truly made known.

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