



Stop  
WTO

# Instrumentalising the **Women's Agenda** for **Trade Liberalisation**

By International Gender and Trade Network



GATS  
Warning!

*IGTN calls for securing social reproduction, not markets. The WTO only follows the logic and language of the market and is blind to the demands of social reproduction. It restricts policy options into a “one size fits all” approach and institutionalises only one form of governance, one that is market-driven and managerial. In contrast, women demand a more socially-responsive governance at the global, regional, and national levels. Such governance is democratic, respectful of human rights, and recognises and balances the demands of both production and social reproduction in its economic policies and programs.*



HK  
Meeting

The women's agenda is being used once again as an instrument for furthering the neo-liberal goals of rapid trade liberalisation. Sceptics are supposed to be convinced of the virtues of trade liberalisation because of the experience of some developing countries in providing employment to women in their export-oriented industries and export enclaves. However, the reality that is never mentioned is that these industries are short-lived because capital moves

from one low-wage country to another under the aegis of global competition. In addition, the promise of income to women is supposed to offset the poor working conditions and low labour standards. When men compete with women for the same jobs, the gender-equalizing-downward-effect causes men to accept lower wages and poorer work standards. While a gender wage gap may be diminishing in some countries, so are overall wages.

Women have long demanded - and now is the time to say it once more - that there is an urgency to go back to the political framework and produce an alternative agenda for the multilateral trading system in which the social reproductive side of the economy and the linkage of economic and social policies are at the core.

Research by heterodox and feminist economists calls into question the neo-liberal model of rapid growth for poverty reduction by showing a highly uneven and unstable impact of export orientation. Various studies have revealed that liberalisation policies contribute to deeper or sudden poverty as well as greater economic insecurity. More critically, there are strong indications that liberalisation has increased inequalities within and among societies. In many cases, these negative impacts are felt more strongly by women because of existing socio-historical gender-based asymmetries in market-based economies. This is felt especially in property relations, women's responsibilities in social reproduction, and the social and legal discrimination against women.

WTO compliant policy adjustments have apparently reinforced the assigned marginalised roles of women under globalisation, expanded the double

feminisation of work especially in agriculture and export-oriented sectors, and increased female labour force participation under conditions of work that are highly exploitative. The phenomenon of "gender-equalising-down-effect" (general lowering of wages and labour standards) has also been noted. Additionally, the widespread privatisation of essential services sustains the marketisation of social reproduction and the non-recognition of this work of women to care for the human family.

If movement towards authentic development is the goal of the Hong Kong Ministerial, the WTO needs to pause in its relentless pursuit to reach agreed upon modalities and take stock of its processes and economic framework. The resistance of many developing countries to the ambitious agenda being pursued in market access reflects both their concern for its negative development impacts and their exclusion from the negotiating processes.

Women have long demanded - and now is the time to say it once more - that there is an urgency to go back to the political framework and produce an alternative agenda for the multilateral trading system in which the social reproductive side of the economy and the linkage of economic and social policies are at the core. It is not the WTO that is in crisis - it is development that is in crisis.

*In the lead-up to the 6<sup>th</sup> WTO Ministerial Meeting in Hong Kong, IGTN has identified five issues demanding attention, if we are to stop the WTO from its neo-liberal economic agenda: agriculture, NAMA, services, intellectual property, special and differential treatment and trade-related technical assistance.*



## **The Agreement on Agriculture (AOA) and Food Sovereignty**

Agricultural production and food security are of prime importance to women both as food producers and as those mainly responsible for family nutrition. IGTN supports food sovereignty for all nations and peoples. "Food sovereignty" not only relates to food production, agricultural expansion and the availability of food in markets but also to rural development, rural employment and the health and well-being of the family household and community. Our call for food sovereignty is rooted in the desire to guarantee food security at the household and community levels and stop the spread of malnourishment, starvation, and hunger, particularly among people in developing countries where a high dependence on local agriculture exists.

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On account of their socially ascribed roles, women everywhere become default providers of food and other needs of social reproduction in the face of market and state failures. Based on evidence worldwide, poor women in the rural South are absorbing the higher costs related to social reproduction as compared to the meager income that they are receiving in the context of current market reforms. As production and exchange conditions become less regulated in support of social

objectives, women are facing increased tensions as they struggle with the work demands of both production and unpaid social reproduction.

The logic of competition and "free trade" enshrined in the WTO's Agreement on Agriculture (AOA) has been applied to an uneven playing field that pits small-holder farmers, many of whom are women, communal tillers and indigenous communities, against transnational agribusiness. The inability of small-holder agriculture to compete has worsened the problems of landlessness and food insecurity in many poor developing countries.

### **Critical AOA Negotiating Issues**

1. All market access formulas must have built-in mechanisms to protect local agriculture, food security, and rural livelihoods. Further tariff reduction in developing countries, especially through the proposed Swiss or non-linear formula, will not address the issue of food security nor improve the well-being of small farmers in the South.

2. IGTN supports negotiations on Special Products (SP) and Special Safeguard Mechanisms (SSM). These could be useful tools to protect domestic agriculture and food security from the adverse impact of trade liberalisation. The identification of SPs should take into account gender biases in agricultural production and food security.

3. IGTN calls for a new mechanism for the reduction of domestic support without jeopardising appropriate support for small farmers in the South and family



*IGTN representatives join women's movements in calling for gender-equal trade*

farmers in the North. The amber, blue, and green boxes were developed to accommodate a protective framework for US and EU domestic subsidies.

Attempts by the US and EU in the current negotiations to further expand the boxes' framework circumvent the WTO's purported agenda of substantially reducing and eliminating trade-distorting domestic support and export subsidies.

4. Anti-dumping mechanisms in the AoA must be strengthened and strictly enforced to the advantage of developing countries. The use of commercialised food aid as a dumping method must be stopped without prejudice to emergency humanitarian food aid.

### **Non-Agricultural Market Access (NAMA)**

Women are heavily involved in many of the sectors covered by NAMA. Many countries have relied on women's work as the basis for competitive advantage. The promise of increased employment through trade liberalisation is contradicted by de-industrialisation. Given the underlying gender realities (gender biases and inequalities in access to resources, training, technology, and credit) women more than men are likely to work in the most vulnerable sub-

sectors of these areas and will likely become unemployed first and for longer periods of time. Women business owners who have less capital than men will be unable to compete with foreign capital and products, and will likely lose their businesses and the possibility to develop their own capital.

It is recognised that non-tariff measures (NTMs) are meant to achieve social objectives such as safety, environmental, and health standards. However, the abuse or unjustified application of such measures without valid scientifically-supported evidence leads to unfair barriers to trade as well as unreasonable protectionism by developed countries. NTMs have been abused by developed countries who have used them more as non-tariff barriers (NTBs) to further restrict market access of products from developing countries.

In many developing countries tariffs represent a significant proportion of government revenue. Therefore, indiscriminate tariff elimination through the "zero-for-zero" tariff reduction proposal will contribute to the loss of public revenues that could be used for public services. This reduction in revenue will particularly affect women as the main health and care providers of their families and communities.

### **Critical NAMA Negotiating Issues**

1. IGTN does not support the non-linear formula for tariff reduction. This approach is particularly dangerous for economies that do not have a well-established industrial base.



2. IGTN calls on developing countries to resist expanding the sectoral coverage of tariff bindings.

3. Disciplines on non-tariff measures should concentrate on designing an appropriate and effective mechanism for identification, examination, and categorisation of NTM as well as transparency and clearer rules for its implementation

### **General Agreement on Trade in Services (GATS)**

A crisis in social welfare exists in much of the world. Countries of the global South have experienced an assault on social services through the structural adjustment programs of the 1980s. Additionally, these countries, as well as the welfare states in the North, have been threatened by the processes of liberalisation and privatisation. Technically, services liberalisation does not mandate privatisation, but the logic of the process opens the way for greater privatisation. Continued pressure for progressive liberalisation is reducing the flexibility and policy options available to developing and developed countries alike.

GATS is an investment liberalisation tool that is used by transnational corporations to gain entry and expand their presence in the services sectors, including public services, in developing countries. Services in the hands of transnational corporations have become less accountable to the citizens. Public and private providers of services have different priorities and therefore serve communities differently. The private

sector operates for profit and has no obligation or incentive to provide services to rural areas or people in poverty unless it is profitable to do so. As such, the redistributive function of public provision gets lost.

In the discussion on services liberalisation, the gross invisibility of social reproduction in economic debates among policymakers and government negotiators is evident. Conveniently and increasingly, the cost of the social reproduction of households and communities is left to women's unpaid caring functions and to labour's current earning power, putting an increasing strain on women's time and energy.

The development, social and gender impacts of the first round of services liberalisation have not been assessed despite the mandate under Article 19.3.1. New offers and requests are being made even before the results of prior liberalisation are known.

The ability to protect public provision of services is undermined by the possibility of narrow interpretations of Article 1.3(c).2. For example, the experience of privatisation of water in many countries has shown that supply on a commercial basis does not guarantee universal access.

While the right of governments to regulate and introduce new regulations is recognised in the non-legally binding preamble to the GATS, the legally-binding Article VI (Domestic Regulation) restricts the right to regulate to "not more burdensome than necessary to ensure the quality of the service," thereby eliminating the

possibilities of regulating for gender equity, the common social good, environmental protection, human rights, and development objectives.

To complement investment liberalisation, countries are promoting the cross-border movement of an elite group of workers to facilitate the global operations of transnational corporations. This process of linking investment and labour mobility under the GATS generates inequality among migrant workers, and ignores the rights and contributions of other migrant workers, in particular women performing caring functions. Mode 4, the movement of natural persons, has not been adequately defined or addressed. As a trade policy device, it treats workers as if they were commodities to be moved across borders in the global marketplace at the disposal of transnational corporations. The implementation of Mode 4 focuses on the temporary movement of skilled personnel, fostering brain drain from the South while ignoring the conditions and rights of all other documented and undocumented migrant workers.

### **Critical GATS Negotiating Issues**

1. IGTN calls on ministers in Hong Kong to allow for *a priori* exclusion of essential services from the GATS negotiations because universal access to services such as water, health, and education, is critical to social reproduction and development.
2. IGTN calls on negotiators to exercise full flexibility in determining their requests and offers. Countries should maintain their sovereign right and

responsibility to develop domestic regulations to protect public goods, gender equality, environmental sustainability, financial stability, and development goals.

3. Ambiguities in the GATS, both legal and semantic, must be clarified, especially in the negotiations on rule-making on subsidies and safeguard mechanisms. A clear definition of these issues is necessary to properly delineate the scope of the agreement.
4. Labour mobility under Mode 4 should not be used as a bargaining chip by developed countries to gain even more concessions for liberalisation from developing countries.
5. Declare a moratorium on GATS negotiations until a development, social, and gender impact assessment is completed (Article 19.3).

### **Trade Related Aspects of Intellectual Property Rights (TRIPS)**

TRIPS does not recognise women's pivotal role in contributing to and preserving traditional knowledge as farmers and plant breeders. The TRIPS regime of monopoly control hinders women from participating in decision-making related to biological resources and from exercising the right to save, use, exchange and sell farm-saved seed and breed new varieties in their own locales. This adversely affects food sovereignty. Transnational corporations control the majority of patents not only of technological but also biological resources. More than 90% of patents on living organisms, plant, animal, or human micro-organisms and the processes to

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identify, isolate, and move genetic materials are held by corporations based in the developed countries. TRIPS is inherently anti-competitive and anti-development.

TRIPS is in conflict with the basic tenets of the *Convention on Biological Diversity* and formalises monopoly privileges that misappropriate genetic resources and traditional knowledge and impede the creation and transfer of technology.

The outflow of royalty payments for the use of protected intellectual property has a negative impact on the balance of payments of developing countries and may increase debt and budgetary deficits with implications for domestic investment on science, education, and other key sectors.

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people in poverty, have direct and negative impact on the health demands of social reproduction. Women are the most affected group by pandemics such as AIDS, and have greater difficulty affording the high cost of medicines resulting from current patenting rules.

### **IGTN Critical TRIPS Negotiating Issues**

1. IGTN asserts that member states must have the freedom and flexibility to determine and adopt appropriate regimes of *sui generis* systems that provide maximum protection for their farmers, breeders, indigenous knowledge, and the right of their local communities to use, save, and exchange seeds and biological resources.

2. IGTN affirms the *Doha Declaration on the TRIPS Agreement and Public Health*, paragraph 4, which grants rights to governments to act at the national level to take full advantage of the flexibilities and policy measures allowed in TRIPS, to ensure access to affordable medicines for all and to protect public health. The Network supports an amendment of paragraph 6 of *the Doha Declaration on the TRIPS Agreement and Public Health* to facilitate and make operational mechanisms for the use of compulsory licensing according to the needs of each developing country.

3. IGTN calls on all WTO members to uphold the compulsory licensing provision of the TRIPS Agreement (Article 31), which permits countries to authorise the production of patented medicines for the domestic market, even without the permission of the patent-holder. Paragraph 6 should be amended

so that the compulsory licensing mechanism is effective, transparent and affordable for all developing countries.

4. IGTN supports the substantive review of TRIPS Article 27.3(b)4. The TRIPS Agreement must respect the principles of the *Convention on Biological Diversity* with regard to the patentability or non-patentability of plant and animal inventions and the protection of plant varieties.

5. IGTN supports the integration of a development agenda in all intellectual property matters as outlined in the WIPO Development Agenda presented by developing countries.

### **Special and Differential Treatment (SDT) and Trade-Related Technical Assistance (TRTA)**

The current view by some developed countries that SDT is a short-term concession to developing countries is misguided and fails to acknowledge systemic inequalities among economies. A more equitable global institutional trade framework must provide a context to ensure that people in poverty and marginalised groups are able to achieve long-term economic and social development. To ensure this outcome, the current emphasis on trade liberalisation guiding and subsuming development must be transformed. The international community must align trade with human rights and economic justice commitments and use these as the measure by which trade policies are ultimately judged.

In a context where the WTO seeks to put in place a harmonised system of trade rules, SDT provides a small window of opportunity for safeguarding the interests of developing countries in pursuing their social and economic development, and specifically resisting any agreement that would destabilise or shock their economies.

The flexibilities that could be made available through SDT may enable governments to adopt national development plans that could strengthen economies for meeting social needs, including programs that support social reproduction. These flexibilities may ease the burdens of women in trade and trade-related activities, and more importantly, recognise and sustain this critical but often overlooked sphere of economic life.

Developing countries face many constraints to their full participation in the WTO. Often they lack the capacity to negotiate trade agreements that would promote their national interests and resist agreements which could jeopardise their potential for long-term economic and social development.

Trade-Related Technical Assistance (TRTA) remains an inadequate tool to address the inequalities and structural imbalances that continue to inhibit developing countries' ability to negotiate and implement pro-development trade agreements. The reasons are many. Donor nations are not providing sufficient money to ensure the programs are meaningful. Managers of TRTA are not offering a broad enough range of options to fit the particular needs of



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countries. TRTA presumes one economic model which does not necessarily serve the interests of developing countries. Much of the TRTA funding is tied to aid, so it benefits the donor country and its corporations rather than the recipient. Recipient countries do not have control over how the money will be used. The current model of TRTA sets up a typical dependency relationship between donors and recipients.

There is no clear expression of the dedication and commitment of WTO members to place the needs and interests of developing countries at the heart of the Doha Work Programme. The General Council simply reiterated the importance of “well-targeted” sustainably-financed technical assistance and capacity-building programmes, along with enhanced market access and balanced rules for the economic development of developing and least developed countries. It avoided the issues of concern to developing countries.

### **Critical SDT & TRTA Negotiating Issues**

1. IGTN supports the call of developing countries that SDT provisions are made more precise, effective, and operational within the current Doha Round. Moreover, unless and until SDT measures are clarified and operationalised, agreements in the other work areas should be delayed.

2. IGTN supports the call of developing countries for the CTD-SS to address all outstanding agreement specific issues and, considering their lack of resources, to concentrate the discussion of all SDT issues within that body.

3. IGTN endorses Paragraph 38 of the Livingston Declaration adopted by LDC Trade Ministers (2005) which calls for the “full and faithful implementation of the Guidelines for LDCs accession to the WTO adopted by the General Council December 2002, to ensure the full application of the SDT provisions that would emerge from the Doha Round of Negotiations to the acceding LDCs...”

4. IGTN supports developing countries' call for increased and adequately-financed technical assistance. However, IGTN demands that developing countries, through accountable and transparent governance processes, explicitly take into account, in their technical assistance programs supply-side reinforcement, gender-equitable education and health services, and societal well-being needs. Adjustment challenges should be concerned not just with market factors but equally address the right to social protection and development.



*IGTN at the World Social Forum,  
Porto Alegre, 2005.*

5. IGTN endorses Paragraph 25 of the Livingston Declaration adopted by LDC Trade Ministers (2005) which calls for “the need to operationalise the objectives of coherence mandate between the WTO and the IFIs (IMF, World Bank), in line with the rights and flexibilities that LDCs have obtained under the WTO, since these are aimed at achieving and supporting LDC development objectives.”

6. IGTN further calls on developing countries to optimise their rights and flexibilities within the WTO by building alternative policies that rest upon the foundations of gender and socially-responsive economic development.

7. Solidarity links between LDCs and other developing countries could be greatly enhanced through Technical Assistance for capacity-building that is grounded in heterodox and progressive economics, including feminist

economics, which contribute to the expansion of policy options. To achieve this diversity, IGTN calls for a wider breadth of actors, including institutions and NGOs, to widen and diversify the scope of approaches in developing countries’ trade strategies. ■

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*The International Gender and Trade Network (IGTN) is a network of feminist gender specialists who provide technical information on gender and trade issues to women’s groups, NGOs, social movements, and governments. IGTN also acts as a political catalyst to enlarge the space for a critical feminist perspective and global action on trade and globalization. It is a Southern-led network that builds South/North cooperation in the work of developing more just and democratic trade policies.*

*This article is based on excerpts from the IGTN Lobby Document for the 6<sup>th</sup> WTO Ministerial Meeting, Dec 2005 drawn by representatives from the IGTN regions, consisting of Africa, Asia, Caribbean, Europe, Latin America, and North America.*

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