



## Joint Statement on Women in International Trade Networks

Trade affects women differently than men in terms of wages, welfare gains, and the quality and quantity of jobs available to them. The Covid-19 pandemic has also disproportionately affected various sectors, but especially the apparel industries, tourism and hospitality. These industries have a high percentage of women as employers and employees.

Trade can play an important role in women's economic empowerment in several ways. It gives them access to broader markets and a larger consumer base, and contributes to their income. It also expands opportunities for women as workers. Countries that harness the untapped potential of the participation of women in international trade networks can increase their productivity, innovative capacity and national income, thereby reducing poverty and inequality. Women are less likely to be in informal jobs if they work in trade-integrated sectors, as new research by the WTO and the World Bank reveals: women working in firms engaged in Global Value Chains (GVCs) have a 10 percentage-point higher probability of holding a formal job, compared to women working in companies less integrated in the GVCs<sup>1</sup>.

Previously, the G20 has made several commitments in support of women in trade. In 2012, the G20 Members declared their commitment to executing concrete actions to overcome the barriers hindering women's full economic and social participation, in order to expand economic opportunities for women in the G20 economies. In addition, the 2019 G20 issued a communique stressing the importance of supporting gender equality and women's economic empowerment.

To increase the inclusion of women in international trade networks and support their economic empowerment through trade, we, the Business 20 (B20) and Women 20 (W20), recommend that the G20 Members should support the following actions:

### **1. Support and Encourage the Inclusion of Women in all Trade Sectors, and particularly in E-commerce**

In general, e-commerce offers unprecedented opportunities, especially for MSMEs, start-ups, and companies to access global markets; and has gained further momentum as a result of travel restrictions, and controls on the movement of people caused by the Covid-19 pandemic.<sup>2</sup> With regard to women in international trade networks, e-commerce provides women with the opportunity to overcome obstacles in accessing markets, finance, and information; and can support them in building their companies. Increased traceability of transactions also supports the inclusion of women in formal trade networks.

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<sup>1</sup> WTO and World Bank Group (2020). Women and Trade – The role of trade in promoting gender equality (Pages 34-37).

<sup>2</sup> WTO (2020) E-commerce, Trade and the COVID-19 Pandemic.

To fully harness the benefits of e-commerce for women entrepreneurs, we encourage the G20 Members and the relevant International Organizations (especially UNCTAD) to prioritize building adequate digital skills, and creating inclusive access to infrastructure and technology. The G20 Members and the UNCTAD should work with development agencies to accelerate digital skills programmes and educational curricula. In addition, the G20 should provide more digital job opportunities to women by supporting awareness campaigns on how to close the wage gaps for women; setting up dedicated initiatives with the private sectors to support women entrepreneurship in the tech and digital sector; and establishing empowerment programmes to foster women's leadership, knowledge, and skills in the digital sector.

## **2. Increase Access to Trade Finance**

According to the Asian Development Bank, women face two levels of exclusion in accessing finance—access to basic finance and access to trade finance<sup>3</sup>. Women entrepreneurs face more difficulty than men in obtaining finance, especially for riskier activities like trade. Also, women-owned firms tend to turn to informal finance - a more expensive form of finance, as an alternative more than men.

To support women in accessing trade finance—a prerequisite for the majority of export and import activities—the G20 should support attractive financing solutions dedicated to women; for example, by allowing government guarantees for the vulnerable and by encouraging banks to develop gender strategies and hire more women, especially in senior positions, to enable banks to understand the challenges faced by women entrepreneurs and work towards reducing the financing gaps. Moreover, the G20 should support mentoring programmes focused on financial skills, and the establishment of a formalized process for best practice sharing in access to trade finance, especially for women and MSMEs (including, through credit bureaus and exchange for receivables finance).

## **3. Monitor Women's Rights along Global Value Chains**

Trade affects women workers considerably. In developing countries, women are often concentrated in export-oriented sectors like apparel, textiles, and electronics manufacturing. But, women are also heavily employed in several sectors that continue to undergo adjustment and change due to trade liberalisation, such as agriculture and textiles. This makes them particularly vulnerable to fluctuations in world markets, and competitive pressures. Furthermore, across the world's Less Developed Countries, women continue to face constraints that limit their participation in trade, and different recently launched initiatives are targeting the economic empowerment of those women<sup>4</sup>.

We, therefore, urge the G20 Members to establish common guidelines for respecting women's rights as employees, and actively monitoring them along international supply chains. It is also important to recognize that the developed countries of G20 have the responsibility to monitor these standards, and demand accountability from their

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<sup>3</sup> Asian Development Bank (2017). Women and Trade: Gender's Impact on Trade Finance and Fintech.

<sup>4</sup> For an example of such an initiative refer to the "Empower Women, Power Trade" initiative launched by Enhanced Integrated Framework.

private sectors and consumers. Additionally, we also urge the G20 to increase development aid and technical assistance in improving the standards, without translating them into Non-Tariff Barriers (NTBs).

#### **4. Promote Regime Coherence between Trade and Development Programmes**

We urge the G20, to encourage and promote coherence between the multilateral trade and investment system, and other relevant international regimes. The G20 should encourage the WTO, the United Nations Department of Economic and Social Affairs (UN DESA), the UN Women, and the World Bank to align more closely to promote the contribution of trade and investment towards achieving Sustainable Development Goal 5 -“*Gender Equality*”, without creating new barriers to trade and removing unfavourable trade barriers.

We encourage an explicit assessment of trade and investment agreements on women and women entrepreneurs. The increasing number of Preferential Trade Agreements (PTA), referring to gender-related trade issues, represent a case in point. In 1983, the first PTA, the *Economic Community of Central African States (ECCAS)*, was signed by developing countries to include a gender-related provision. Nine years later, this led to the first gender-related provision, the 1992 *Maastricht Treaty on the European Union (EU)*, which referred to the general principle of equality between women and men. More recent examples include, Canada-Chile, Argentina-Chile, Australia-Peru, United States-Mexico-Canada, which were signed in the last 3-5 years<sup>5</sup>.

#### **5. Continue to Develop Reliable, Gender-specific Trade Statistics**

Data on gender-specific aspects of trade remains a challenge<sup>6</sup>. Yet, reliable data sets are crucial to develop, implement and monitor impactful policies to engage women in trade networks, and harness the benefits of international trade for all.

While we welcome the various initiatives to establish sex-disaggregated, reliable datasets (example, by the United Nations, the OECD, the World Bank, and regional development banks), we also highlight the necessity for the lead agency to streamline and aggregate these initiatives, by having all agencies work together and align with national statistical authorities for effective data collection. We also urge the G20 Members to participate in this initiative, and support data collection.

Supporting women inclusion in trade is more important than ever: post-pandemic survival and repair of various economies heavily depend on the inclusion of women. Hence, a targeted-approach focussed on digital economy, global value chains, preferential access to trade finance, can help the G20 Members to accelerate the progress on inclusion in trade while rebuilding economies.

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<sup>5</sup> WTO (2018) Gender-related Provisions in Regional Trade Agreements

<sup>6</sup> OECD: How can trade contribute to women’s economic empowerment? (*online*)