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**Submission on behalf of International Women's Development Agency to the Department of Foreign Affairs and Trade on the Pacific Agreement on Closer Economic Relations (PACER) Plus**

**31 July 2009**

*When women benefit, the whole community benefits.*

## Overview

International Women's Development Agency (IWDA) is a non-government development organisation that works with partner organisations on practical and rights-based projects to empower women and transform gender relations in Asia and the Pacific. IWDA also works to advance women's empowerment and gender justice through advocacy, training and policy influence with the development sector and government in Australia. IWDA supports programs and initiatives through funding, technical expertise, solidarity and facilitating access to wider networks and peer support. Since 1984, IWDA has worked with agencies in Asia and the Pacific to support economic empowerment, microfinance and livelihoods programs that benefit women and their communities. IWDA is supported in its work through bi-lateral and multi-lateral donor agencies, philanthropic trusts and foundations and the Australian public. Refer to [www.iwda.org.au](http://www.iwda.org.au) for more details of our work and programs.

IWDA appreciates the opportunity to engage with Department of Foreign Affairs and Trade (DFAT) on the PACER Plus negotiation process and in so doing, contribute to strengthening development and gender outcomes for Pacific women and men.

Gender equality is recognised as integral to sustainable development, aid effectiveness, achieving the MDGs and is an overarching principle of Australia's aid program. It is not an optional extra but a core requirement. Understanding the potential gendered impacts of policies and programs is, consequently, integral to a full assessment of how Australia should approach PACER Plus – particularly given that a stated objective of the trade agreement is 'genuine and sustainable economic development.' Gender profoundly shapes men's and women's economic and social roles and the extent to which they are able to access and benefit from opportunities created by increased trade. Given this, there are both effectiveness and efficiency arguments for taking gender into account in relation to the PACER Plus negotiations.

For DFAT's goal of 'genuine and sustainable economic development' to be achieved through PACER Plus, consultation, research and negotiation processes must recognise and take account of the gendered impacts of trade. Pervasive gender inequality constrains the potential and sustainability of economic development initiatives. Considering the extremely low representation of women in Pacific Island governments, national and regional consultation processes also need to take specific steps to meaningfully engage women by consulting beyond the government-to-government level. This is the only means of ensuring policy options reflect the development aspirations of women *and* men in the region.

This submission will first outline the gendered impacts of trade policy, drawing on specific examples of the gendered outcomes of economic activities in the Pacific. Second, it will examine the relevance of Australia's international commitments to trade negotiations. It concludes with recommendations of ways in which trade negotiations can incorporate gender issues and promote genuine economic and social development in the Pacific.

## Gendered impacts of trade policy

DFAT, working in collaboration with the Australian Agency for International Development (AusAID), has committed to promoting genuine and sustainable economic development outcomes for peoples of the Pacific Islands through the PACER Plus trade negotiation process.

Achieving sustainable economic development in the Pacific necessarily requires attention to gender relations because "gender inequality restricts a country's economic growth. Removing inequalities gives societies a better chance to develop".<sup>1</sup> As Kofi Annan, the former Secretary General of the United Nations stated, "there is no tool for development more effective than the empowerment of women".<sup>2</sup> This fact has been recognised by Pacific leaders in the *Pacific Plan to Strengthen Regional Cooperation and Integration*,<sup>3</sup> with gender equality identified as a prerequisite to achieving sustainable development.

In an effort to ensure maximum development impact and stronger economic growth in the Pacific, governments and agencies engaged in development work (including AusAID) have committed to addressing gender inequality in all program areas. Trade liberalisation has significant and different impacts on the lives and status of women and men because of their different access to and control of economic and social resources, decision-making and participation. Yet policy is often developed as though trade liberalisation is gender-neutral and priorities for trade policies and trade negotiations are generally determined with little gender analysis. Trade agreements that fail to recognise and address potential gendered outcomes of policy choices threaten to undo progress towards gender equality achieved to date. Policy can contribute to further marginalising women's roles; limiting the sustainability of development outcomes. This relationship was outlined in the recent United Nations Conference on Development and Trade (UNCTAD) Expert Meeting on Mainstreaming Gender in Trade Policy.

Trade policy is interrelated with gender equality as trade policies are strongly redistributive and often generate complex and contradictory effects on women's access to employment, livelihood and income. Often societies where women are economically or socially discriminated against do not fully benefit from the effects of globalisation and trade integration. Because of this, reducing the gender bias is especially important for developing countries where inequalities between men and women are often larger.

Trade can be a catalyst for gender equality; however the effects of trade liberalisation and globalisation on women so far have been mixed. ...In some cases trade liberalisation has exacerbated existing gender inequalities and worsened women's economic and social status. *One of the reasons behind these negative effects is that trade policies are often designed and implemented without consideration of gender issues.*<sup>4</sup>

There is a danger that standard economic modelling enlisted by governments in the region to analyse PACER Plus policy options will ignore gender issues, resulting in missed opportunities, gender inequitable outcomes, and inefficient and ineffective economic policy. Such economic modelling only provides a partial understanding of the social context that shapes economic

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<sup>1</sup> AusAID, 'Gender Equality and Development', <http://www.ausaid.gov.au/keyaid/gender.cfm> (accessed online 29 July 2009), 2008.

<sup>2</sup> See Kofi Annan's opening remarks at the 50<sup>th</sup> Commission of the Status of Women. United Nations, 'No Tool for Development More Effective Than the Empowerment of Women' <http://www.un.org/News/Press/docs/2006/wom1539.doc.htm>, (accessed online 29 July 2009), 27 February 2006.

<sup>3</sup> Pacific Islands Forum Secretariat, *The Pacific Plan for Strengthening Regional Cooperation and Integration*, Suva: Pacific Islands Forum, October 2005.

<sup>4</sup> Emphasis added. United Nations Conference on Trade and Development, Mainstreaming Gender in Trade Policy, <http://www.unctad.org/Templates/WebFlyer.asp?intItemID=4760&lang=1> (accessed online 29 July, 2009)

outcomes, given its focus on the formal sector, national-level statistics and economic measures of development. Such modelling fails to capture women's social, economic and political contributions at the local level and in the informal economy, where their opportunities tend to be greater. It also fails to account for unpaid care work that is vital to the economy and takes up very different amounts of time for men and women. These information gaps are likely to result in incorrect assumptions about the time men and women have to devote to 'productive' activity, decision making rights, economic resources, skills and opportunities.

## **The Pacific: Examples of gendered impacts of economic development**

In the Pacific, gender equality has clear social and economic implications. Women and men are integrated very differently into formal and informal economies. Men dominate well-paid jobs, management positions and entrepreneurial activities.

Pacific women experience multiple social and economic inequalities that influence their participation in social and economic life. This includes limited access to and control of economic resources (i.e. land, credit), education, information, and decision-making rights. They are also largely responsible for vital unpaid subsistence and care-giving activities that underpin economic and social activity. At a community level, men's and women's work is often completely segregated, resulting in the development of highly specialised skills and knowledge, particularly in relation to natural resource management, fishing and agricultural work.

Paid employment is also often segmented along gender lines. In the fisheries sector, for example, men can access skilled jobs on foreign fishing vessels while women are concentrated in low-skilled, low-paid work in foreign-owned fish processing plants. Women's jobs in canneries and fish processing factories are particularly unstable in difficult economic circumstances as foreign companies seek the lowest cost workforce to maintain competitiveness. The potential for investment flight puts considerable pressure on governments to maintain low minimum wages, and is a disincentive to address inadequate work conditions and women's employment rights and needs. Women working in this sector are likely to have limited education, skills and training. They also have limited opportunities to access alternative employment in higher paid and more stable sectors. Unless targeted actions are taken, increased investment in this sector is unlikely to promote decent work for women and men. If the fisheries trade is to provide long-term employment opportunities for women and men, governments need to ensure equal pay for equal work and invest in genuine training and skill development for women and men.

An increase in paid employment opportunities for women can also exacerbate tensions between women's unpaid and paid work responsibilities because of the gendered division of labour within households. Unless efforts are made to address the wider gender inequalities that shape women's lives, it cannot be assumed that increased formal employment opportunities will translate into improvements in overall well-being or wider empowerment. When women have little or no control over how household income is spent, paid work is simply an additional burden to their existing unpaid workload. In addition, paid employment is unlikely to be a liberating experience while women continue to face barriers acquiring economic resources such as land.

Women's low status marginalises them from decision making at household and community level. This directly impacts on national development. This is evident in the Pacific forestry sector where women have been excluded from community- and government-level decision making,

jobs and benefits of increased investment. The result is a loss of community livelihoods, environmental degradation and sexual abuse and violence associated with logging camps.<sup>5</sup>

To date, benefits of forestry activities have been largely restricted to unscrupulous individuals (who have sold logging rights for communally owned and used land), foreign logging companies (many of whom are operating illegally), and foreign labourers (who earn money logging the areas). Women, who rely on forests to provide for their families' livelihoods (including raw materials for bags and mats, wood for cooking, water for drinking, and forest products for food and medicinal purposes) are marginalised in the process. This marginalisation has devastating impacts on women and children alike, not least because it has resulted in the exploitation of natural resources and a loss of forestry resources available for the livelihoods for women and their families. The presence of logging camps and foreign nationals in rural communities has seen an increase in child prostitution, rape, forced marriage, unwanted pregnancies, substance abuse, tribal conflict, land disputes, suicide and community exclusion.<sup>6</sup>

It is clear that many development initiatives in the Pacific have not worked for Pacific women. Gender inequality remains pervasive. Women experience high rates of violence, maternal mortality rates are increasing in some countries, and women remain absent from decision making in many national parliaments.

In this context of prevailing gender disparities, where women and men have quite different - and differently valued - roles and responsibilities, gender analysis of trade policy is not an optional extra. It is integral to achieving effective policy outcomes and maximising opportunities and benefits for women and men in the Pacific. A systematic gender analysis of the projected benefits and impacts of the PACER-Plus trade provisions is essential for sound policy and should be a prerequisite for detailed trade negotiations.

Trade policy development also needs to be complemented by social policy initiatives which recognise that women are likely to bear the brunt of adjustments associated with structural economic change and face substantial barriers to accessing new opportunities. Gender assessments can help policy makers design complementary policies to reduce any negative effect of trade policies on women and to assist women to better benefit from trade liberalisation.<sup>7</sup>

## **International Commitments and AusAID responses**

Australia and ten Pacific Island nations party to the PACER Plus negotiations are signatories to the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW).<sup>8</sup> This convention recognizes the rights of women to economic equality and commits signatory governments to take steps to address inequalities through social and economic policy. These nations have also made commitments to achieving the Millennium Development Goals, which call for gender equality and the empowerment of women: a goal widely regarded as a necessary prerequisite to achieving the remaining seven goals.<sup>9</sup>

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<sup>5</sup> Tania Herbert: *Commercial Sexual Exploitation of Children in the Solomon Islands: A Report Focusing on the Presence of the Logging Industry in a Remote Region* (Christian Care Centre, Church of Melanesia, Solomon Islands, July 2007).

<sup>6</sup> Ibid.; Asker, S. 2009. *Research of Aspirations and Perceptions toward inclusive and sustainable natural resource management in the Solomon Islands*, Live & Learn Environmental Education and IWDA.

<sup>7</sup> [http://www.thecommonwealth.org/gtinformation/164143/164148/164709/164713/session\\_iii/](http://www.thecommonwealth.org/gtinformation/164143/164148/164709/164713/session_iii/)

<sup>8</sup> United Nations, *Convention on the Elimination of All Forms of Discrimination against Women*, New York: United Nations General Assembly, 1979.

<sup>9</sup> Australian Agency for International Development, 'So, what's gender?', *Focus*, Vol.23, No.2 (October – December), 2008, 13.

In recognition of these commitments, AusAID has outlined a number of practical guidelines for working with developing countries to ensure economic and trade policy promotes gender equality and that governments are accountable to civil society on policy options<sup>10</sup>. These include:

- Protecting women's rights in trade, financial and labour reforms
- Strengthening the capacity of partner government agencies to collect sex-disaggregated data, and then analyse the different impact of policies on poor women and men (and mitigate those impacts where necessary)
- Increase the capacity of women's organisations and the machinery of national governments to independently analyse trade, financial and land reform policies and regulations
- Increase women's participation in decision making in the public sector, including in the development of economic policy and poverty reduction strategies

In light of Australian and Pacific Island commitments to progress gender equality, PACER Plus negotiations will need to be informed by a systematic gender analysis of trade options. Negotiations should take steps to ensure that trade policy outcomes do not marginalize women's position in society or preference economic opportunities for men over women.

Trade policy should not be exempt from the commitments made by governments in the region to CEDAW and to achieving MDG targets.

## Recommendations

If Pacific Island, Australian and New Zealand governments are to make policy choices that are effective, sustainable and contribute to outcomes that meet the needs of both women and men, they must take active steps to engage both women and men in meaningful consultations on regional development options.

Governments also need to systematically integrate gender into trade analyses and approaches to negotiation. Regional economic policy needs to be aligned with regional and national gender equality commitments to contribute to equitable development.

Failure to integrate gender into economic policy may result in women being disproportionately excluded from economic opportunities created by trade liberalisation. At the same time women will carry an unequal burden of trade adjustment costs, exacerbating prevailing gender inequalities.

DFAT is in a unique position to be able to drive an innovative process that links economic development objectives to gender equality in the Pacific. The following are recommended as initial steps in this process:

- Support the gender analysis of trade policy options at a national level through direct funding provision to national governments, regional NGOs or bodies such as the Pacific Islands Forum Secretariat. The focus of these studies needs to be independently chosen by these bodies; be drawn from community experience and theoretical models; involve adequate consultation with women and men; and have minimal framing or

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<sup>10</sup> *Gender Equality in Australia's Aid Program, Why and How (2007)*, available online: [http://www.ausaid.gov.au/publications/pdf/gender\\_policy.pdf](http://www.ausaid.gov.au/publications/pdf/gender_policy.pdf)



direct intervention from DFAT or AusAID as this would raise conflict of interest issues. Given the time frame for negotiations, it is essential that this research be undertaken as soon as possible to inform government policy positions. The availability of gender analysis is a pre-requisite for fully informed, coherent policy. It is critical that it be part of the information that informs further development of trade policy options and related economic and social policy provisions.

- Support an inclusive approach to the region's future development that involves the input of diverse voices in civil society, faith groups, unions and government. Given the isolation and geographic dispersion of populations in Pacific Island countries, and the marginalised position of women in society, genuine consultation will require the creation of a safe space for women to be able to speak and adequate time to host meetings in rural areas and then collate and analyse data. Negotiation timeframes should therefore be created with this in mind, and governments should be encouraged to undertake appropriate consultation processes in line with commitments to good governance.
- Work with AusAID to support the strengthening of women's machineries and each National Council for Women (or other appropriate agencies) to engage in discussions with trade departments on trade analysis.
- Integrate gender analysis into all Aid for Trade activities including research initiatives, fellowship programs and any future activities. Guidelines that will assist in making this happen are cited in the reference section of this document.
- Ensure that gender is visibly integrated into the negotiation agenda and processes.

IWDA is available to discuss these options and provide further advice to DFAT on the integration of gender into trade analyses. In addition, please find below a list of key resources that can support appropriate analysis of gender issues.

#### **Resource Materials on Trade and Gender**

The following excellent resource materials on integrating gender and trade are available online:

- Canadian International Development Agency, 'Gender equality & trade-related capacity building: resource tool for practitioners', [http://www.acdi-cida.gc.ca/INET/IMAGES.NSF/vLUIImages/GenderEquality2/\\$file/WEB-COVER-E.pdf](http://www.acdi-cida.gc.ca/INET/IMAGES.NSF/vLUIImages/GenderEquality2/$file/WEB-COVER-E.pdf), (accessed 30 July 2009), August 2003.
- United Nations Conference on Trade and Development, 'Meeting Documents, Expert Meeting in Mainstreaming Gender in Trade Policy', <http://www.unctad.org/Templates/meeting.asp?intltemID=4714&lang=1&m=16435&info=doc>, (accessed 30 July 2009), 11 March 2009.
- Australian Agency for International Development, 'Guide to Gender and Development', <http://www.ausaid.gov.au/publications/pdf/guidetogenderanddevelopment.pdf>, (accessed 30 July 2009).