



Introduction

Abstract In this introductory chapter, the authors provide the context for the main research questions that their book examines. These questions—(1) Why—and under what circumstances—do some trade sectors create more jobs for women and others do not? (2) To what extent are the jobs created contributing to women’s economic empowerment? (3) What strategies and policies are needed to ensure these sectors work optimally?—address the relationship between trade and women’s economic empowerment from the perspective of small and medium-sized enterprises (SMEs) across six developing countries. The authors review the literature on trade and gender, identify gaps from that literature, and briefly discuss the research design that they have chosen for this project.

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Keywords Development · Gender · Trade · Women's economic empowerment

1.1 CONTEXT

It is widely recognized that international trade has the potential to provide women with more and better employment opportunities, thus driving productivity and economic growth while empowering women and improving gender equality. This potential, however, is not always fully exploited because of the various constraints that women face when they engage in trade. Focusing on small and medium-sized enterprises (SMEs)¹ as the unit of analysis, this book examines the relationship between trade and women's economic empowerment.² Specifically, it delves into the relationship between trade and job creation for women, and the extent to which these jobs contribute to women's economic empowerment. Gender equality (and women's economic empowerment) matter both intrinsically and instrumentally (World Bank, 2012). Individuals should be able to choose a life where they can enjoy basic necessities as a human right that should be the same for everyone, and gender equality matters for both economic efficiency and the achievement of other development outcomes (World Bank, 2012). A 2015 report by McKinsey Global Institute found that \$28 trillion or 26% could be added to global GDP by 2025 if women could play the same role as men in labor markets.

As we have just reached the halfway point in the implementation of the 17 Sustainable Development Goals (SDGs) that were adopted by all UN member states in 2015 as part of Agenda 2030 for Sustainable Development, it is important to take stock of where we are with respect to goals and targets related to gender equality and women empowerment on the one hand, and trade on the other. Among these 17 SDGs, SDG 5 is about achieving gender equality and empowering all women and girls while SDG 17, which calls for a global partnership for sustainable development, includes specific targets related to a fairer multilateral trading system (Target 17.10), increasing exports of developing countries (Target 17.11) and market access for the least developed countries (Target 17.12).

While SDG 5 and SDG 17 are directly connected to this book's focus on trade and women's economic empowerment, the SDGs are also all interconnected. For example, although SDG 5 is a standalone goal, it is interlinked with other SDGs such as SDG 1 (poverty reduction), SDG 2 (zero hunger), SDG 4 (quality education), SDG 8 (decent work and economic growth) and SDG 16 (peace, justice and strong institutions) to just name a few.³ Put simply, focusing on gender equality can thus influence the other goals; such interlinkages matter for policy integration and for synergies across the various goals. Unfortunately, despite progress on gender equality in recent decades, the 2020 UN SDG Report (United Nations, 2020) notes that there is still a long way to go before women and girls are able to enjoy full gender equality and where legal, social and economic barriers to their empowerment no longer exist. SDG 5 is now even further from being achieved due to the disproportionate impact of the COVID-19 pandemic on vulnerable groups that include working women and female entrepreneurs in particular (United Nations Economic and Social Council 2021).

As a recent report from UN Women (2022) indicates, more women and girls will live in poverty in sub-Saharan Africa in 2030 than today. The report also notes that the gender gap in labor force participation (and thus gender pay gaps) has widened around the world since the pandemic began, and that the world is not on track to achieve SDG 5 by 2030. Of concern is also the fact that slightly less than 50% of data needed to track progress on SDG 5 are currently available. In the case of SDG 17, SMEs are underrepresented in international trade (in terms of export shares) even if they contribute significantly to output and employment in local economies. Furthermore, the COVID-19 pandemic has laid bare the vulnerabilities of global supply chains, casting doubts about the benefits of globalization while contributing to the trend of economic nationalism seen in recent years. Supply chains have also been further tested recently as a result of the ongoing conflict between Russia and Ukraine.

This book on trade and women's economic empowerment could thus not be timelier. Specifically, it focuses on SMEs, including those that are women-owned and women-led,⁴ in six developing countries: two countries from Southeast Asia, namely Cambodia and Vietnam, and four others from sub-Saharan Africa, namely Ghana, Madagascar, Senegal and Nigeria. The book investigates how and to what extent these SMEs empower women. The research conducted for this book proceeded in two stages. First, survey data was collected across these six countries. Second,

qualitative analysis based on focus group discussions (FGDs), key informant interviews (KIIs) and in-depth interviews (IDIs) with various actors (managers and employers; government officials and Trade Support Organizations [TSOs]; male and female employees) were conducted in the six countries to complement the survey data.⁵

1.1.1 Trade and Development

With respect to international trade, one of the enduring features of the last century and the first two decades of the current one has been the expansion of global trade as a result of the integration of national economies through a process more commonly and broadly known as globalization. Despite sporadic episodes of protectionism and the rise in economic nationalism in recent years, the long-term trend has been one of reduced trade barriers and more open economies around the world. In accordance with traditional theories of international trade, developing countries have been able to exploit differences in relative productivity and factor endowments to specialize and export goods in which they have a comparative advantage, and thus improve their productivities, generating economic growth and broader economic development in the process. New trade theories have also shown that there are significant gains from trade liberalization if governments strategically intervene to support certain sectors or industries. Trade has fostered competition and innovation across the world and allowed consumers to enjoy a greater variety of goods.

Countries and regions that have embraced globalization and outward-oriented strategies have experienced improved economic and social outcomes; in fact, a significant correlation is typically observed between trade and economic growth in cross-country data. Part of the challenge for researchers is isolating the effects of trade from other factors, in addition to the endogenous nature of that relationship. However, a few studies (for example, Alcalá & Ciccone, 2004; Frankel & Romer, 1999) have found evidence of a causal relationship between trade on the one hand, and growth and productivity on the other. There is also a fairly significant literature using firm-level data that documents the positive impact of trade liberalization on firm productivity. For example, in a survey of empirical studies Wagner (2012) finds that exporters and importers are more productive than non-exporters and non-importers. Importantly, and despite best efforts by researchers to factor this in their

analysis, some of the available evidence from the literature is tainted by self-selection in the sense that these firms were already more productive before they began exporting or importing. However, the specific nature and contribution of SMEs, compared to larger firms, is not always discussed and distinguished in this literature.

Despite the resulting challenges related to making causal claims, there is a strong theoretical case for, and empirical evidence that, trade liberalization reduces poverty. In particular, international trade can contribute to economic growth and poverty reduction when complemented by the right policies and institutions such as product diversification, policies promoting financial development, protecting property rights and developing vital infrastructure (Mitra, 2016). However, trade liberalization also has distributional consequences. The well-being of certain groups, including poor people and other vulnerable groups, may be negatively affected, at least in the short term, as countries liberalize their trade. To put it bluntly, trade does not benefit everyone equally and not everyone is always able to take advantage of trading opportunities. While some countries and regions (for example, East Asia) have benefitted immensely from globalization, others (for example, several countries in sub-Saharan Africa) have not benefitted to the same extent. In the African context, there is much hope around the African Continental Free Trade Area (AfCFTA), which became operational on January 1, 2021. The AfCFTA could be a real game changer for a continent where intra-country trade is the lowest around the world and where previous attempts at regional integration have been disappointing.

The increasing participation of developing countries in global trade, with China playing a major role, has allowed millions of their citizens to be lifted out of poverty due to job creation and economic growth. Developing countries now account for roughly half of global trade (compared to 38% two decades ago) while global absolute poverty measured as the percentage of people living on less than \$1.90 per day has declined from 36% in 1990 to less than 10% today.⁶ Conversely, one could argue that lower growth and the persistence of poverty in some countries and regions is at least partly due to their lower participation in global trade. The COVID-19 pandemic has already disrupted supply chains and negatively impacted global trade in goods and services. As millions of people have gone back into poverty because of the pandemic, it has also become clear that some of the reduction in global poverty in pre-pandemic years

will be erased, making it more difficult to meet the first SDG of eradicating poverty by 2030. While it is still too early to fully understand the long-term impacts of the pandemic on trade, especially with respect to developing countries, it is a reminder that external shocks (including the ongoing conflict between Russia and Ukraine) can have significant impacts on those that are engaged in, and depend heavily on, external markets. Hence, the fundamental question for open economies that are heavily dependent on trade is how to build resilience and diversify their activities to absorb these shocks.

As the World Bank Group and the World Trade Organization made clear in their 2015 report, for trade to continue to play a poverty reduction role (1) deeper economic integration and lower trade costs are needed (2) reduction of tariffs and non-tariff barriers must be part of a broader approach that addresses the constraints faced by the poor and (3) both the World Bank and World Trade Organization must continue to support poverty reduction, together with other partners. At the individual and household levels, those who live in extreme poverty face various barriers that prevent them from accessing the gains that are possible through international trade. These barriers include living in rural areas, facing situations of fragility and conflict, working in sectors that are highly informal, and barriers related to gender. This book recognizes that while trade has yielded benefits for women in terms of jobs and empowerment, it is also difficult for women to benefit from trade opportunities because of specific constraints that they face both within and outside the household.

The expansion of global trade has also been accompanied by the rise of Global Value Chains (GVCs), whereby various parts of a product cross borders several times before becoming a final product that is then shipped around the world. Together with the increasing use of information and communications technology, digitisation of trade offers more opportunities for firms, including SMEs in developing countries, to integrate into the global economy. In theory, it should be relatively easier for SMEs to participate in GVCs. Due to more limited resources, they could focus on specific tasks within a GVC as opposed to the entire production system. And yet, while SMEs play an important role in job creation and domestic economic activity, including being owned by, and employing, women, their international trade footprint is quite low. It is far more difficult and costly for an SME to succeed in foreign markets when compared to larger firms for a number of reasons such as lack of access to finance,

lack of skills and technology, and costs related to logistics and regulations. Despite the important contribution of women to poverty reduction in developing countries, women-owned SMEs tend to find it even more difficult to engage in international trade.

One of the recommendations of the joint World Bank Group and World Trade Organization (2015) report referenced above was to improve data collection and analysis to inform policy, including on the participation of women in trade. In a more recent follow-up report (World Bank Group and World Trade Organization, 2018),⁷ which considers several case studies to complement the global approach taken in 2015, the authors find that there are various channels through which trade impacts poverty:

Evidence shows that not all the poor are affected equally. The effects will depend on where they live (rural versus urban areas), their individual characteristics (skill, **gender**), the type of trade policy change (increased import competition or export opportunities) and where they work (industry, firm, formal/informal sector). Since the effects are context specific, case study analysis of the type we present in this book is very important to better understand the variety of channels through which trade can affect poverty. (World Bank Group and World Trade Organization, 2018, p. 8; our emphasis)

To specify the research questions that this book addresses, we review the literature on trade and gender in the next section and identify gaps in the existing literature. The third and final section of this introductory chapter discusses the research questions and approach taken, and how the rest of the book is organized.

1.2 TRADE AND GENDER: A SUMMARY OF EXISTING EVIDENCE

The impact of trade on poverty, and other socioeconomic outcomes such as employment and women empowerment, depends on contextual and sectoral factors. For example, in a review of the literature, Winters et al. (2004) conclude that there is a strong theoretical presumption and empirical evidence that trade liberalization leads to poverty alleviation in the long run and on average. However, in the short run trade liberalization has distributional consequences and may negatively affect some people,

including the poor. The authors argue that the ultimate outcome depends on several factors that include where countries are starting from, who the poor are, and the kind of trade reforms undertaken. There is also an extensive literature on trade liberalization and gender that pays attention to the effects of trade on employment opportunities and wages, and the gender gaps that could be created in the process. In particular, it is not obvious that trade liberalization will always reduce gender inequality. For example, the competitive environment created by trade liberalization could induce firms to discriminate less against women; on the other hand, if exporting requires specific skills which women are perceived as lacking, international trade could reinforce gender inequality.

As can be seen in Fig. 1.1, across all developing countries ($n = 104$) for which we had data in 2021, more open economies tend to have lower levels of gender inequality. However, there is a lot of variation in gender inequality for countries with similar levels of trade openness. The six countries considered in the current study are also quite different in terms of trade openness and gender inequality (see discussion in the next chapter and Table 2.1). Many other countries with levels of trade openness that are close to them perform quite differently on gender inequality as can be seen in Fig. 1.1. There is thus no a priori reason to assume that more open economies will automatically guarantee better gender outcomes.

From a gender perspective, trade agreements have been criticized because they are evaluated in terms of economic benefit and market-based criteria that ignore social, and especially gender, imbalances. There have thus been attempts in recent years to mainstream gender in trade, through advocacy and awareness campaigns, the development of global networks, new research and demands for concrete policies and approaches. For example, the Buenos Aires Declaration on Trade and Women's Economic Empowerment was adopted at the 11th WTO Ministerial Conference in December 2017 to increase women's participation in international trade and remove the barriers that they face. However, a draft WTO Ministerial Declaration on trade, gender equality and women's economic empowerment which was expected to be adopted at the 12th WTO Ministerial Conference in June 2022 has been put on indefinite hold. Possible reasons include the resistance of developing countries to a plurilateral (as opposed to multilateral) initiative, concerns about the introduction of labor-related conditionalities or the presence of Russia in the ongoing discussions (Dommen, 2022). It is unlikely, however, that this issue will

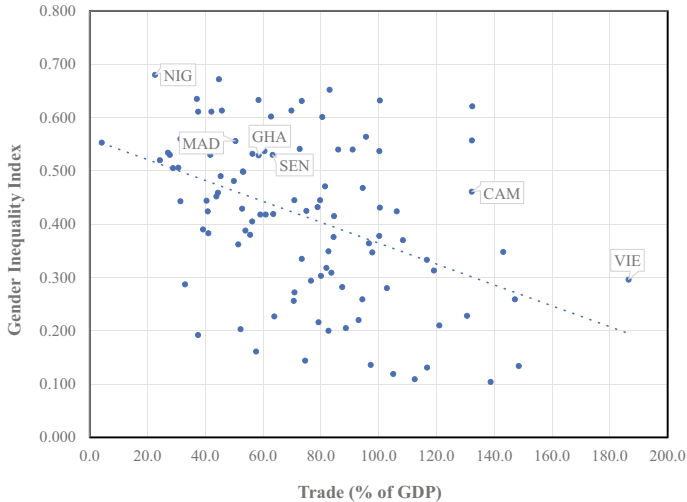


Fig. 1.1 Trade openness and gender inequality, 2021 (*Notes* CAM = Cambodia; GHA = Ghana; MAD = Madagascar; NIG = Nigeria; SEN = Senegal; VIE = Vietnam. *Source* Constructed using data from UNDP and World Development Indicators Database, World Bank)

go away and one can expect the WTO work on trade and gender to continue.

1.2.1 Themes and Dynamics Related to Gender and Trade

Several papers and reports have argued that the equal economic participation of women is essential for achieving sustainable economic growth. For example, Kabeer (2012) argues that while formal, regular and paid work holds the greatest potential to transform women's lives, the segmentation of labor markets prevents the creation of decent jobs; thus, there is a need to focus on the factors that lead to different labor market outcomes along gender lines. In its flagship World Development Report, the World Bank (2012) characterized gender equality as smart economics: the removal of barriers that women face in education, in accessing economic opportunities and productive inputs leads to productivity gains. Improving the status of women leads to better development outcomes,

including through more inclusive and representative institutions (World Bank, 2012).

SMEs play an important role in driving growth and development and the number of women entrepreneurs has been increasing globally despite the different obstacles that women-owned businesses face. When women work, they invest most of their earnings back into their families. In the case of SMEs that engage in international trade, addressing gender equality can improve a country's competitiveness; conversely, gender inequality contributes to economic inefficiency (World Bank, 2012). Unfortunately, trade agreements and trade patterns are not gender neutral. Their differential impacts on men and women come from biases in a country's society with respect to culture, rights and entitlements, education and skills, employment opportunities, access to resources, time obligations, and household and care responsibilities that often favour men. At the same time, not all women (or men) will benefit equally from trade due to their different characteristics and contexts in which they operate.

Research that examines the impact of trade liberalization on gender equality has produced mixed results. Several papers (for example, Aguayo-Tellez et al. (2010) in the case of Mexico, Glick and Roubaud (2006) in the case of Madagascar, Pradhan (2006) in the case of India, and Siegmann (2006) in the case of South Asia) have found that trade liberalization helped to improve gender equality as a result of more employment and business opportunities for women. However, other studies have found such benefits to be minimal and lower than those accrued by men. For instance, Cockburn et al. (2009) use trade policy simulations in three African countries (Ghana, Senegal and Uganda) and find that trade liberalization increases the male–female wage gap for unskilled workers because men are more engaged in export-oriented sectors such as mining while women work more in import-competing sectors such as food crops. Other studies that find smaller benefits for women compared to men include Menon and van der Meulen (2009) in the case of Indian manufacturing, Arndt et al. (2006) in the case of Mozambique, and Berik et al. (2004) in the cases of Taiwan and Korea.⁸

In terms of an analytical framework, Fontana (2009) presents three levels—macro, meso and micro—to examine how trade and gender intersect to affect the lives of both men and women. First, trade liberalization causes distributional effects at the macro level. Specifically, trade and

specialization cause changes in production patterns that affect the distribution of employment and wages. If women are overrepresented in the sector that expands (that is, the sector is more female-intensive), this would narrow the gender gaps. However, the globalized economy is also more prone to exogenous shocks and volatility, with implications for both job security and wage stability in more open economies. Second, at the meso level, trade liberalization in the form of tariff cuts reduces government revenue. For countries that are especially reliant on trade taxes and where government revenue is more limited, this can have significant impacts on infrastructure, the provision of social services (such as health and education) and broader development outcomes, which can in turn reinforce existing gender gaps. Third, at the micro level trade liberalization affects the prices of goods and services, and earned income, which in turn affects household incomes and gender dynamics (through control over time and resources) within the household. Ultimately, the gender impacts of trade can be positive or negative and will depend on various factors such as trade patterns, export and import competition across sectors, skill levels of male and female workers, employment opportunities for men and women across sectors, labor market policies, division of labor within households, socio-economic characteristics and the expected roles of men vs. women in specific cultural settings.

Evidence from a range of studies (see World Bank and World Trade Organization, 2015, 2018) clearly shows that when compared to men, women face specific constraints preventing them from taking advantage of opportunities that become available as a result of increased trade. These constraints include lower education and skill levels; household and family obligations; discrimination; lack of access to finance, information and markets. Focusing on Africa, Higgins (2012) discusses how women traders face more challenges when it comes to trade facilitation, infrastructure, physical security at border crossings, and logistics.⁹ Women are often employed in low wage sectors that conform with social norms, or in higher wage sectors that are dominated by men. Women-owned or women-led businesses tend to be smaller on average than male-owned or male-led businesses and female ownership is inversely related with size of the business (World Bank, 2012) in part because women are also expected to shoulder more household and family-related obligations. With less access to private transport, women rely much more than men on walking and public transport to get their goods to market, which means

they are disproportionately affected by poor road and transport infrastructure. Women in remote areas are even more disadvantaged when it comes to establishing linkages with regional and global supply chains (Kunaka, 2011). Trade facilitation, infrastructure and logistics initiatives could thus support women's economic empowerment by providing them with more opportunities to engage in trade (North–South Institute, 2012).

1.2.2 *Summary of Findings from Existing Research*

Drawing on findings from the literature, the impact of trade and trade liberalization on gender can thus be summarized thematically as follows.

Employment Effects

In part because of their larger presence in those sectors, and as predicted by standard trade models, women benefit the most from trade in countries that are abundant in unskilled labor and which have a comparative advantage in the production of basic manufactures. For example, earlier work by Wood (1991) shows that export growth, especially in garments and textiles, led to an increase in the demand for female labor in manufacturing in the global south, a trend that has continued to this day. Standing (1999) discusses the feminization of labor since the 1970s whereby insecure, low-paid and irregular employment typically associated with women has been expanding over time compared to male employment that is stable, unionized and regular. Increased employment of women in the manufacturing sector has been well documented in more recent studies, including in case studies of Export Processing Zones (EPZs) where much of export-oriented manufacturing takes place.¹⁰ However, the expansion of agricultural exports does not appear to be as favorable to women, with some exceptions such as the horticultural sector and agro-industry (UNCTAD, 2016). There is also some evidence that the expansion of exportable services is another growing source of employment for women (for example, information processing and financial services). In the end, whether trade leads to increased employment of women will likely vary across sectors, and it is thus important to understand why and under what circumstances this happens.

Earnings and Job Quality

While employment matters, the type of jobs created is equally important. Across the developing world, women constitute a disproportionate

percentage of workers in the informal sector, in low paid jobs and where working conditions (labor laws, social benefits, health insurance etc.) are inadequate. In regions such as Sub-Saharan Africa and South Asia, those numbers can be higher than 80 or 90%. For example, Bonnet et al. (2019) reports that the percentage of female workers that are informally employed (92%) in developing countries is substantially higher than the percentage of male workers (87%), and this is true in a majority (56%) of countries. The prospects for women taking on jobs with more responsibilities is often limited and they are thus overrepresented in certain job categories as well. Firms that engage in trade tend to be larger than domestic firms, they are more capital (and skill) intensive and pay higher wages. A more competitive environment that results from international trade should reduce (costly) discrimination against women; however, trade could also lead to employment segregation (see employment effects above) and reduce the bargaining power of women to obtain higher wages (Berik et al., 2004). This might explain why wage gaps remain significant, and even in countries that have seen rapid growth in exports with an important role for female labor. In fact, in examining the cases of Korea and Taiwan, Berik et al. (2004) found that openness did not lead to an improvement in women's relative economic status. The authors recommend the passing and enforcement of anti-discrimination legislation to ensure that the gains from globalization are shared more equally. The cross-country evidence does not yield a clear relationship between trade and gender and varies according to occupational skill levels (Oostendorp, 2004). Our own takeaway is that the evidence remains inconclusive and would benefit from more research.

Moving beyond wages, if skills are valued by firms that engage in international trade, it should create an incentive for women to upgrade their skills. Ultimately, higher wages, better working conditions, and higher skill levels would all contribute to the empowerment of women through jobs created by trading firms. Whether all this is true for SMEs that engage in trade is discussed in the next chapters of this book.

Household Dynamics

Trade, employment and earnings contribute to women's empowerment by improving their ability to contribute to the household and strengthen their bargaining power within the latter. However, these gains may be short-lived and of little comfort when women are also expected to perform most, when not all, tasks within the household, including raising

children and caring for the elderly. Such unpaid work is an additional burden that is felt even more by poorer women and those that do not receive support from other family members.

1.2.3 *Research Gaps*

Existing empirical evidence about the relationship between trade and gender is inconclusive and research in this area is hampered by a lack of gender disaggregated data at the firm level for comparisons across countries and regions. The lack of data is compounded by the fact that more women than men work in the informal sector across the developing world. In general, while there is much research on the domestic constraints that SMEs and women entrepreneurs face, comparatively we do not have sufficient information about the constraints that prevent women from taking advantage of trade opportunities and what the source of those constraints are across countries and regions. Also, existing analysis has tended to focus more on the manufacturing sector and related activities due to data availability and less so on agriculture and services. Most jobs created in developing (and developed) countries is by SMEs, and there are more and more SMEs across the developing world that employ women and are owned by women entrepreneurs. And yet, while their importance is recognized, the role that these SMEs play in international trade has not been examined systematically in the literature. Finally, in addition to the implications of GVCs for SME participation in trade, digitalisation can also lower the costs of trading and allow smaller companies to be part of the global economy. It is thus important to understanding how technology is being used by SMEs, and the technological challenges that they face.

1.3 RESEARCH QUESTIONS AND APPROACH

Based on the above review of the literature, and the research gaps identified, we examine the following questions in the next chapters of this book using the two-stage research design (survey data and qualitative analysis) described earlier: (1) Why—and under what circumstances—do some trade sectors create more jobs for women and others do not? (2) To what extent are the jobs created contributing to women’s economic empowerment? (3) What strategies and policies are needed to ensure these sectors work optimally? These questions reflect a real interest for how trade can

create employment for, and empower, women, and how trade can yield the maximum benefits for women. Conceptually, the two-stage research design is helpful because it allows researchers to make sense of contradictions between quantitative and qualitative information where they exist, and corroborate the findings from each approach. It also fosters a participatory approach across the research process, and ultimately provides a more nuanced and deeper understanding of a particular question or questions. It also made more sense to complement the survey data collected with qualitative analysis because of the various nuances that come with properly assessing women economic empowerment and that cannot be fully captured through survey or quantitative data.¹¹

As mentioned earlier, six countries—two (Cambodia and Vietnam) from Southeast Asia and four (Ghana, Madagascar, Senegal and Nigeria) from sub-Saharan Africa were examined for the current research project. They were chosen for both practical and conceptual reasons. On the one hand, they were countries that we were familiar with due to their inclusion in another research project conducted by the Trade Facilitation Office Canada. On the other, there were also interesting variations across the cases such as their population size, reliance on trade, export performance, and performance on gender. Their inclusion in the current project also ensured that two important developing regions were considered. Due to a lack of resources, we were unable to consider other developing regions such as Latin America and the Caribbean in the current study.

As we have already alluded to, SMEs contribute significantly to growth and employment around the world. It is worth reiterating that SMEs contribute significantly to job creation (about 60–70% of workers in the majority of countries) and growth across countries. In the African context, it is estimated that they employ 80% of the workforce in both the formal and informal sectors. The contribution to employment and growth is also significant across the Southeast Asia region but there is greater variation across countries. In Vietnam, large manufacturing firms play an important role but about 50% of employment is still by SMEs. However, as in much of sub-Saharan Africa, a large informal sector implies that the contribution of the SME sector is underestimated (OECD, 2021). In the case of Cambodia, it is estimated that the contribution of SMEs to employment is closer to 70%. By either hiring women or providing a space for women entrepreneurs, SMEs can create more opportunities for them and foster inclusion. Yet, we also know that most SMEs have a rather small

footprint in international trade when compared to their contributions to employment, production and growth.

1.3.1 *The Way Forward*

It is thus important for us to have a better understanding of why some SMEs decide to engage in international trade on the one hand, and the implications for women, and women empowerment, on the other. The rest of the book is organized as follows. In the next chapter, we present and discuss the findings from survey data that was collected across the six selected countries. We then discuss the findings of the qualitative analysis that was conducted for the 2 Southeast Asian cases and 4 African cases, in Chapters 3 and 4, respectively. The final chapter (Chapter 5) summarizes the findings and concludes with policy recommendations.¹²

NOTES

1. In Canada, SMEs are defined by number of employees, namely small businesses (1–99 employees) and medium-sized businesses (100–499 employees). Large businesses have 500 or more employees. Within the category of SMEs, one can also find many so-called microenterprises, defined as those with 4 employees or fewer. (Source: https://www.ic.gc.ca/cic/site/061.nsf/eng/h_03090.html#toc-02, last accessed on May 10, 2022.) Others, such as the International Finance Corporation of the World Bank Group define Micro, Small and Medium Enterprises (MSMEs) in terms of employees, assets, sales and loan size. However, for practical reasons, in this project we will use national definitions, while being mindful of comparability across countries.
2. UN Women defines women’s economic empowerment as “women’s ability to participate equally in existing markets; their access to and control over productive resources, access to decent work, control over their own time, lives and bodies; and increased voice, agency and meaningful participation in economic decision-making at all levels from the household to international institutions.” (see <https://www.unwomen.org/en/what-we-do/economic-empowerment/facts-and-figures>, accessed on May 15th, 2020.)
3. See <https://sdgs.un.org/goals> for more information about the SDGs. For SDG interlinkages, see the project implemented by the Institute for Global Environmental Strategies (IGES) at <https://sdginterlinkages.iges.jp/index.html>.
4. There is a distinction between women-owned (that is, owned by women by a certain percentage such as at least 51%) and women-led SMEs, where

women occupy decision-making levels (that is, various managerial roles). Many women-owned SMEs are also led by women but not all women-led SMEs are owned by women.

5. One of the objectives of the current research is to establish a Women in Trade (WIT) Knowledge Platform to serve as a tool to fill important gaps related to the collection, storage, and analysis of gender-disaggregated sector-specific trade and employment data. The Knowledge Platform is intended to contribute to developing local research capacity to carry out evidence-based research in Women in Trade, explicitly identifying and promoting best practices for increasing gender equality in trade by improving women's economic empowerment through job creation and contributing to sustainable and inclusive growth.
6. Data is from the World Bank. Since September 2022, the World Bank started using \$2.15 per day as the new extreme poverty line due to new purchasing power parities. About 674 million people were living below this new poverty line in September 2022, which would still amount to a global poverty rate of less than 10%. See: <https://blogs.worldbank.org/opendata/september-2022-global-poverty-update-world-bank-2017-ppps-and-new-data-india>.
7. This latest report also made a case for better data collection—especially in fragile and conflict states, and in relation to informality and gender—to inform research and analysis.
8. This relationship can also go the other way. For instance, Seguino (2000) has shown that wage inequality, namely lower wages for women have lowered unit labor costs and boosted exports, thus contributing to economic growth. In fact, according to her analysis, over the period 1975–1990, Asian economies where women were disadvantaged the most grew the fastest.
9. Research in this area tends to concentrate on the informal economy, in particular the challenges women cross-border traders face. It also shows up the gaps between the formal and informal sectors.
10. For example, the EPZ sector in Mauritius contributed to a significant expansion of female employment and the emancipation of women. However, EPZs have often come under scrutiny because of their low labor standards.
11. We thank Ariane Ryan, an inclusive economies advisor with World University Service of Canada, for her tremendous assistance in helping us design the survey, and framing qualitative questions around women economic empowerment.
12. The lead author for this chapter, and Chapters 2 and 5 is Yiagadeesen Samy. Jasmine Lal Fakmawii is the lead author for Chapter 3 and Adeniran Adedeji is the lead author for Chapter 4.

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