



SUPPORTING WOMEN’S ECONOMIC EMPOWERMENT AND GENDER EQUALITY THROUGH TRADE

OPPORTUNITIES “BEHIND, AT, AND BEYOND” THE WORLD’S BORDERS”¹

The relationship between cross-border trade in goods and services and women’s economic empowerment and gender equality is at a moment of exceptional potential. In all its partner countries, the United States Agency for International Development (USAID) can help women access quality jobs related to trade, thrive as entrepreneurs who do business in global markets, and increase their influence as economic decision-makers. In less formal environments where small-scale women traders shepherd their goods through dangerous, exploitative, or prohibitively expensive conditions, USAID can foster tangible new commitments to their safety and improve their prospects for economic success. And, by engaging, in particular, the tools and benefits of inclusive digital transformation, USAID can help developing economies grow their involvement in global value chains to reduce poverty, increase opportunity, and narrow gender gaps that persist in confining the economic potential of women.

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NAVIGATING THE NEXT GENERATION OF CROSS-BORDER TRADE

Early generations of modern economic globalization focused on dismantling trade barriers among countries by reducing or eliminating tariffs that protected domestic industries from international competition. Based on the principles of Most Favored Nation status and National Treatment as espoused in rules-based international and regional trading systems, a massive shift in the world's centers of manufacturing took place beginning in the late 1970s. Large corporations based in wealthier countries increasingly relied on developing economies—particularly in Asia, and to a lesser degree in Latin America, Central Europe, and the Middle East and North Africa region—as their primary sources of production. These forces in turn mobilized millions of women in the global workforce to fill labor-intensive, highly repetitive, low-wage factory jobs. Over the next generation, women became the majority of factory employees worldwide, especially in the garment, food-processing, and technology sectors.²

Between 1990 and 2010, trade-led growth, though regionally uneven, contributed to a drop in the share of the world's population living in extreme poverty from 35 percent to less than 15 percent.³ Still, despite their massive contributions to the global economy as industrial workers and agricultural producers, women experienced the impacts of trade very differently from men. Even in highly dynamic, export-oriented economies, women overwhelmingly lacked the breadth of opportunity and wealth creation afforded men, who then had—and today continue to have—a far greater presence as entrepreneurs, managers, service providers, formal traders, and economic policymakers.



Jonathan Torgovnik/Getty Images/Images of Empowerment

To this day, women continue to work as smaller-scale, less formal traders. Across Africa, women comprise as much as 70 percent of cross-border traders.⁴ Although many women have flourished and built successful enterprises around this role, conditions on the ground for the majority persist in making it harder for them to obtain necessary paperwork, receive fast and efficient service, and pass through customs without being subjected to sex discrimination, bribery, corruption, or sexual exploitation.

² Louise Williams and Stacy Edgar, *Integrating Gender into Trade Capacity-Building Programs in the Middle East and Asia* (Washington D.C.: USAID, 2015), https://www.chemonics.com/wp-content/uploads/2017/10/Integrating_Gender_into_Trade_Capacity_Building_Programs_Report.pdf.

³ USAID, *Policy for Trade Capacity Building* (Washington D.C.: USAID, 2016), 10, <https://www.usaid.gov/documents/1865/policy-trade-capacity-building>.

⁴ World Bank Group, *Women and Trade: The Role of Trade in Promoting Women's Equality* (Washington D.C.: The World Bank, 2020), 163, <https://www.worldbank.org/en/topic/trade/publication/women-and-trade-the-role-of-trade-in-promoting-womens-equality>.

Today, cross-border trade, though slowed by the 2020–2021 Coronavirus 19 (COVID-19) pandemic, is poised to resume its critical role in meeting consumer demand and bolstering economic opportunity in developing countries. For women business owners or employees in trade-related jobs, global markets will present increasing opportunities in digital and data flows among economies and enterprises, and in expanded trade in services, including in such sectors as education, health, agriculture, and tourism.⁵ For informal women traders, finding paths toward resuming and exceeding previous levels of productivity is their first imperative, including by responding to new health and safety restrictions at the borders and increasing their use of financial and information tools available through digital technologies. In fact, greater reach of information and communication technologies will present more accessible opportunities in trade for women than ever before.

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For USAID, opportunities abound to assist women in expanding and strengthening their participation in cross-border trade—as self-employed traders and entrepreneurs; as workers who support existing and evolving global value chains; and as influencers and decision-makers in the global economy. Inroads can be found at the major junctures of the trade process:

- “Behind the border,” where enterprises are established and grow their capacities to trade
- “At the border,” which includes tangible border-crossings and, increasingly, online trade facilitation services and the role of postal and package delivery services
- “Beyond the border,” which refers to the formal systems of trade more broadly.⁶

Opportunities for USAID to help women expand their access to cross-border trade are found across the agency’s economic growth activities, including:

- Economic policy and analysis
- Private-sector development (including at the micro and small and medium-sized enterprise levels)
- Assistance in creating more and better jobs for workers
- Trade and regulatory reform
- Energy and infrastructure
- Digital inclusion
- Financial inclusion

BEHIND THE BORDER

Entrepreneurs launch and grow their firms against the backdrop of a country’s business-enabling environment, which encompasses the full range of structural conditions and regulatory issues that influence their ability to compete locally or across borders. For women, although these issues begin with the “letter of the law”⁷—and whether the law overtly treats men and women differently as citizens, workers, and/or entrepreneurs—they also extend into such considerations as social norms, stereotypes,

⁵ Susan Lund, James Manyika, Jonathan Woetzel, Jacques Bughin, Mekala Krishnan, Jeongmin Seong, and Mac Muir, *Globalization in Transition: The Future of Trade and Value Chains* (McKinsey Global Institute, 2019), <https://www.mckinsey.com/featured-insights/innovation-and-growth/globalization-in-transition-the-future-of-trade-and-value-chains>.

⁶ Louise Williams and Stacy Edgar, *Integrating Gender into Trade Capacity-Building Programs in the Middle East and Asia* (Washington D.C.: USAID, 2015), https://www.chemonics.com/wp-content/uploads/2017/10/Integrating_Gender_into_Trade_Capacity_Building_Programs_Report.pdf.

⁷ USAID, *Women’s Wage Employment in Developing Countries: Regulatory Barriers and Opportunities* (Washington D.C.: USAID, 2018), https://www.marketlinks.org/sites/default/files/resources/lpfm_ii-18-091_usaid_report_-_womens_wage_employment_in_developing_countries_final_june_2018.pdf.

and expectations that impact women’s personal journeys and economic choices beginning in childhood. As a result, women are overrepresented in lower-paying jobs and unpaid care work; less likely than men to own or control productive assets; and more vulnerable to economic shocks, such as those triggered by the spread of COVID-19.⁸

Illustrative questions and issues for USAID practitioners to explore in “behind the border” conditions for women in trade include:

DO WOMEN ENJOY ACCESS TO CAPITAL AND OTHER RESOURCES TO THE SAME EXTENT AS MEN?

Worldwide, the economic inequalities between men and women, though narrowing somewhat, remain stark. In access to capital, real property, and other resources, gender gaps persist across all avenues of economic opportunity, including the following:

- **LAND AND OTHER PROPERTY.** The legislated and customary treatment of women and property impacts their capacity to invest in themselves. Where women do not share the same ownership and inheritance rights enjoyed by men, they are deprived of one of the primary mechanisms for accumulating assets.
- **WORK.** Worldwide, many women continue to be discouraged from holding jobs outside the home. Those who do work for wages are far more likely than men to labor informally, to earn less money than their male counterparts, or to be underrepresented in senior positions.⁹ These limitations diminish the seed money for enterprises women may seek to establish in the future, as well as deprive them from gathering important work experience and building personal networks. In general, employment in formal export sectors offers women in developing economies better pay and work conditions than the alternatives available to them. Lower pay also limits their bargaining power within the household.
- **FORMALITY.** The extent to which entry into the formal sector is accessible and affordable determines the future of a company: Women who register their enterprises with their local governments are far more likely to access nonpredatory lending opportunities, technical support, and customers capable of paying their bills, including through formal procurement processes. Women who operate enterprises in the formal sector, thus paying taxes and striving to meet government licensing and other regulatory requirements, increase their chances of accessing global value chains through cross-border trade.

The passage of time has revealed a robust factory-to-entrepreneurship pipeline. After spending a few years working at a factory, women increasingly draw upon the knowledge, networks, and confidence they gained to launch their own enterprises, often financed by the wages they saved as factory workers.

⁸ Esteban Ortiz-Ospina, "Economic inequality by gender" (Our World in Data, 2018), <https://ourworldindata.org/economic-inequality-by-gender>; World Bank Group, *Women and Trade: The Role of Trade in Promoting Women’s Equality* (Washington, D.C.: The World Bank, 2020), 118-126, <https://www.worldbank.org/en/topic/trade/publication/women-and-trade-the-role-of-trade-in-promoting-womens-equality>.

⁹ Esteban Ortiz-Ospina, "Economic inequality by gender" (Our World in Data, 2018), <https://ourworldindata.org/economic-inequality-by-gender>.

- **FINANCIAL CAPITAL.** Women’s ability to access and manage money begins with their connection to formal banking options, including tools for saving their money, engaging mobile money options, and connecting to various secured and unsecured credit opportunities. Although mobile phones and the Internet have accelerated financial inclusion in recent years, men remain more likely than women to hold an account or access other financial services.¹⁰
- **TIME AND CARE BURDENS.** Women’s access to capital, whether as workers or entrepreneurs, often reflects their role in the largely unpaid (or underpaid) care economy. Where women shoulder most of the responsibilities over family and the home—which is nearly everywhere—their time commitments generally result in less access to capital than men who are more likely to work for pay or generate economic opportunity outside of the home.

CAN WOMEN ADEQUATELY ACCESS MARKETS FOR THEIR LABOR, GOODS, AND SERVICES? To a degree far greater than men, women experience barriers as they strive to access markets for their labor or their companies. Key considerations include the following:

- **EDUCATION.** Fundamentally, a woman’s education impacts her lifelong access to labor markets: Where girls lack the same educational opportunities as boys, their lifelong value as earners diminishes. Traditionally, women pursue educational opportunities, seek employment, or start businesses in “gendered” fields—including education, certain health professions, childcare, personal grooming, and retail—that offer less wealth potential than such male-dominated fields as transportation, information and communications technology (ICT), finance, or trade in high-value commodities.

One way to encourage women to become qualified for higher-value jobs, many of which support international trade, is to support their job-specific training and/or higher education in Science, Technology, Engineering and Math (STEM). Even when they receive STEM training and degrees, however, women often step away early from the STEM workforce, especially after they get married or have children.

- **PHYSICAL MOBILITY.** Worldwide, women experience mobility in ways far different from most men. A variety of constraints persist; women may be culturally discouraged from traveling too far from home, lack access to quality transportation, or face issues of sexual harassment as they commute to and from work.
- **ACCESS TO INFORMATION.** Lagging access to education, mobility, and digital resources combine to diminish women’s access to a critical aspect of engaging successfully in cross-border trade—namely, information. When women lack access to information on market conditions, prices, and quality of goods, they assume unnecessary trade costs or miss new trade opportunities.¹¹

¹⁰ Asli Demirgüç-Kunt, Leora Klapper, Dorothe Singer, Saniya Ansar, and Jake Hess, *The Global Findex Database 2017: Measuring Financial Inclusion and the Fin-tech Revolution* (Washington, D.C.: World Bank, 2018), 37, License: Creative Commons Attribution CC BY 3.0 IGO, <https://elibrary.worldbank.org/doi/abs/10.1596/978-1-4648-1259-0>.

¹¹ World Bank Group, *Women and Trade: The Role of Trade in Promoting Women’s Equality* (Washington, D.C.: The World Bank, 2020), 168, <https://www.worldbank.org/en/topic/trade/publication/women-and-trade-the-role-of-trade-in-promoting-womens-equality>.

- **DIGITAL ACCESS.** Access to markets requires access to digital technologies, including through accessible and affordable broadband and/or mobile services. In low- and middle-income countries, the gap between women’s and men’s use of the Internet is 26 percent.¹²

Increasingly, women’s access to knowledge and tools for doing business in the global economy is a priority. Through its Digital Strategy 2020–2024, USAID commits to closing gender digital divides and digital harms and inequities that women and girls face. Tactics for achieving these goals include the following:

- Helping women traders access mobile telephones, which data show help them save time and money
- Strengthening awareness and use of digital alternatives to cash, including their benefits of safety, efficiency, and record-keeping
- Connecting women entrepreneurs to digital platforms that help them extend the reach of their goods and services
- Building capacity among women to fill jobs in the digital sector, including as network engineers and ICT professionals.
- Supporting initiatives that engage and involve both male and female gatekeepers (addressing social norms around use)
- Ensuring programs are designed to consider women’s vulnerability to online harassment or digital theft, ideally in partnership with them

AT THE BORDER

Women in trade must navigate the various procedures of trade facilitation. If they are trading in goods, they (or their brokers or representatives) must fulfill requirements for eligibility to cross the border, including administrative forms, taxes and other costs, necessary licenses or permits, and proof of compliance with product standards, among other requirements. For the most part, these are not “gendered” requirements; however, they may—for reasons that reflect very different opportunities for men and women that exist in most economies—unwittingly exclude or create barriers against most women traders. Key “at the border” issues for USAID to explore include the following:¹³

ARE TRADE FACILITATION SYSTEMS TRANSPARENT AND DIGITIZED? Although considerable progress has been made over the past generation in the standardization, publication, and posting of Customs and other border requirements, a great deal of opacity remains. Where clear information is readily available, and traders can undertake most or all cross-border requirements online, women can increasingly avoid extra costs or corrupt practices that have long been a problem at the borders.

ARE WOMEN SAFE AND TREATED FAIRLY? Women traders often have very different experiences than their male colleagues when they transport relatively small batches of goods across borders. Depending on the border post’s location and administrative systems, small-scale women traders in particular find

¹² Anri van der Spuy and David Souter, *Women’s Digital Inclusion Background Paper* (Association for Progressive Communications & Internet Society, 2018), https://www.apc.org/sites/default/files/WomensDigitalInclusion_BackgroundPaper.pdf.

¹³ For in-depth recommendations on how customs and border services can become champions of change, refer to the [Women’s Economic Empowerment and Gender Equality in Trade Facilitation: The Role of Customs and Border Services](#) page on Marketlinks.

themselves in a heightened state of vulnerability, including to sexual exploitation, extortion, and other forms of power abuse by border agents, transport providers, and male competitors. Poorly designed facilities—dim lights, dark spaces, shuttered offices—are part of the problem, but impunity is often the greater issue.¹⁴ Also, transport and trading facilities are not necessarily designed with women in mind, leaving women with insufficient sanitation and waiting rooms (especially for overnight stays), and even inadequate loading facilities, which are typically sized for men.

COULD BORDER PROCESSES BE MORE STREAMLINED OR SIMPLER? Particularly in informal, nondigitized environments, women traders would benefit from simplified trade regimes that adapt to their needs and therefore encourage their continued economic engagement.¹⁵ Elements may include a defined period for waiving certificates of origin and relaxing permitting and certification requirements, coupled with a scheme for training and helping the traders become more formalized, and, thus, more capable of growing into safer, more profitable areas of trade. Such offerings to women should meet women where they are, beginning, in some cases, with basic literacy and numeracy.

ARE THE BORDERS PREPARED TO FACILITATE TRADE IN SERVICES? Particularly in regional economies, opportunities are increasing for women to trade in services, including in health and maternal services, tourism, education, and more. USAID can help economies support these enterprises, in particular when the services include movement of people. USAID activities can help governments offer tourists a fast and welcoming experience when entering the country. They can further develop systems through which service professionals come and go with relative fluidity. USAID can also provide guidance on flows of money paid for services, including through appropriately regulated and accessible mobile money options.

ARE GOVERNMENTS FACILITATING LOW-COST ACCESS TO REGIONAL OR GLOBAL MARKETS? The digital economy has vastly expanded markets opened to women entrepreneurs. Although products marketed by women often lend themselves to online trading—including in fashion, foodstuffs, cosmetics, and handicrafts—the critical issue then becomes the cost of shipping.¹⁶ As volumes of lower-value transactions increase, border authorities must strive for greater speed and efficiencies in clearance processes, for both incoming parcels and returns. USAID can help these agencies integrate new systems of risk management and data analytics in response to changes brought about by e-commerce supply chains. Establishing appropriate *de minimis* value levels that are applied equally to all operators can contribute to efficient entry of lower-valued parcels.

BEYOND THE BORDER

Beyond the border considerations include the overall ability of citizens to trade with other countries, including the impact of trade on women and the role that women play as decision-makers in this arena.

¹⁴ Suzanne Daley, “A Borderline Where Women Bear the Weight” (New York Times, 2014), <http://mobile.nytimes.com/2014/03/31/world/europe/a-borderline-where-women-bear-the-weight.html?from=world>.

¹⁵ Simonetta Zarrilli and Mariangela Linoci, “What future for women small-scale and informal cross-border traders when borders close?” (United Nations Conference on Trade and Development, 2020). <https://unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=2362>.

¹⁶ U.S. Customs and Border Protection, *E-commerce Strategic Plan* (2018), https://www.cbp.gov/sites/default/files/assets/documents/2018-Mar/CBP-E-Commerce-Strategic-Plan_0.pdf. “CBP’s e-commerce strategy positions CBP to properly enforce violations and address the various complexities and threats resulting from a global shift in trade to an e-commerce platform.”

Although USAID does not play a direct role in U.S. trade negotiations, the agency can strengthen local policymakers' understanding of the differential effect that trade has on men and women and how they can mitigate negative impacts by implementing remedial measures. USAID can also support the integration of women's perspectives and experiences into domestic trade policy, thus making the policy more responsive to the needs of women in the economy. Key questions to guide USAID's approach to this goal include:

ARE ENOUGH DATA AND ANALYSIS AVAILABLE TO INFORM GENDER-INCLUSIVE TRADE POLICY? In nearly all developing economies, more quantitative and qualitative data are required to better understand gender gaps across society. The need for better data begins at the household level, where men and women often make different economic contributions, and the value of unpaid care work that is dominated by women tends to go unmeasured in terms of hours and financial trade-offs. There is also need for better understanding of differences in the distribution of men and women across key global value chains; the representation of women as owners or leaders in companies that trade across borders; and gaps in access to skills, education, and access to the digital economy. USAID can help train governments and the private sector to streamline, increase, and improve their practices of data collection. Also, USAID can ensure that its trade-related activities are informed by analytics taken through a gender lens and implementers are mindful of how their work both reflects and can narrow persistent gender gaps.

HOW IS THE ROLE OF WOMEN AS CONSUMERS OF GOODS AND SERVICES INTEGRATED INTO ECONOMIC POLICY AND PRIVATE-SECTOR ACTIVITY? A long-overlooked aspect of women in trade—by the public and private sectors alike—is their significance in the eyes of consumers and influencers. For example, non-government organizations in countries with stronger labor and consumer protections have proven highly influential in pressuring their own governments and the private sector to elevate standards in developing economies. Moreover, companies in USAID partner countries are increasingly aware of the important role that women play in making household purchasing decisions. USAID can help them respond by integrating more women into the private sector—as corporate board members, company managers, and professional service providers.



ARE WOMEN INCLUDED IN THE DESIGN AND IMPLEMENTATION OF TRADE POLICY? USAID-sponsored activities can encourage governments to bring more women professionals onto negotiation teams for international and regional trade agreements and help train *all* team members in assessing trade issues through a “gender lens.” Also, they can foster greater diversity within public-private dialogues on trade and regulatory issues, with representatives of women's trade and business associations, as well as other advocacy groups, included as a matter of common practice.

RESOURCES

AGENCY

Organization for Economic Co-operation and Development

USAID

USAID

USAID

World Bank

World Bank Group and World Trade Organization

World Customs Organization

World Economic Forum

World Trade Organization and Organization for Economic Co-operation and Development

RESOURCE

[Going Digital: The Future of Work for Women](#)

[USAID's Digital Strategy 2020–2024](#)

[Policy for Trade Capacity Building](#)

[Women's Economic Empowerment and Gender Equality in Trade Facilitation: The Role of Customs and Border Services](#)

[Women, Business and the Law](#)

[Women and Trade: The Role of Trade in Promoting Women's Equality](#)

[New Customs tools to advance gender equality and diversity](#)

[Global Gender Gap Report 2021](#)

[Aid for Trade at a Glance 2017: Promoting Trade, Inclusiveness and Connectivity for Sustainable Development](#)