Why did we produce this report?

To provide evidence-based facts and recommendations on how to improve women’s wellbeing through trade

• Collect new sex disaggregated data at the industry and occupation level across countries

• Propose a conceptual framework to explain the linkages between trade and women in their different roles
Roadmap

• Key questions on the linkages between trade and gender equality
• Data, methodology and applications
• Main findings
1. Do trading firms have a higher demand for female workers than non-trading firms?

2. How does a firm’s trade participation influence the gender wage gap?

3. Does the gender wage gap depend on countries’ type of GVC integration?

4. Does trade increase the rates of formality for women?

5. How does tariff liberalization benefit women as consumers?

6. Are female workers concentrated in sectors that suffer from higher trade costs?
1. Do trading firms have a higher demand for female workers than non-trading firms?

- **Firm-level data**
  - **dependent variable:** share of female workers in total labor
  - **key variable:** trade indicator variable
  - **data sources:** e.g., Enterprise Surveys or country-specific surveys

- **Methodology**
  - compute country’s **average female labor shares for trading vs. non-trading firms** separately
  - relationship between female labor share and trading status **can also be established econometrically across firms**
1. Firms that engage in international trade employ more women
1. Firms that engage in international trade employ more women

<table>
<thead>
<tr>
<th>Category</th>
<th>Female Labor Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exporter</td>
<td>33%</td>
</tr>
<tr>
<td>Nonexporter</td>
<td>24%</td>
</tr>
<tr>
<td>Importer</td>
<td>33%</td>
</tr>
<tr>
<td>Nonimporter</td>
<td>28%</td>
</tr>
<tr>
<td>GVC Participant</td>
<td>37%</td>
</tr>
<tr>
<td>Non-GVC Participant</td>
<td>25%</td>
</tr>
<tr>
<td>FDI firms</td>
<td>38%</td>
</tr>
<tr>
<td>Domestically owned firms</td>
<td>27%</td>
</tr>
</tbody>
</table>
2. How does a firm’s trade participation influence the gender wage gap?

- Firm-level data
  - **dependent variable**: average wages \( (wage) \)
  - **key variables**: share of female in total labor \( (fem_{sh}) \) and trade dummy \( (trade) \)
  - **data sources**: e.g., Enterprise Surveys or country-specific surveys

- Methodology:
  1. linking firm’s female labor share to average wages (**negative sign shows GWG**)
  2. assess the role of trading status for this relationship (**sign of interaction term**)

\[
\ln wage = \alpha + \beta_1 \ln age + \beta_2 \ln emp + \beta_3 \ln k + \beta_4 skillsh + \beta_5 femsh + \gamma femsh * trade
\]
2. The gender wage gap is smaller in trading firms
3. Does the gender wage gap depend on countries’ type of GVC integration?

- Country-level data on **type of GVC participation** based on World Bank GVC taxonomy (see WDR 2020)
  
  ➢ A country’s **type of GVC participation** is assessed based on: (i) goods and services exported, (ii) its extent of GVC participation, and (iii) measures of innovation.

  ➢ **Data** can be downloaded as part of Chapter 1 of WDR 2020:

3. Does the gender wage gap depend on countries’ type of GVC integration?

- Country-level data on gender wage gap from **World Bank Gender Disaggregated Labor Database (GDLD)**

  - Global **sex-disaggregated** labor force database based on the World Bank’s household survey collection and other public resources.
  - Provides measures on **wages and employment by sex, sector, occupation and education**.
  - **Harmonized** economic activities (2-digit ISIC Rev. 4) and occupation (ISCO 08) categories.

3. Upgrading towards more sophisticated GVCs is associated with lower male-to-female wage ratios

Methodology: computing **averages across countries within a GVC taxonomy group**

- A country’s gender wage gap can be compared against the taxonomy group average

![Graph showing male-to-female wage ratios across different GVC categories with specific values for Brazil and Pakistan.](image-url)
4. Does trade increase the rates of formality for women?

• Household-level data combined with trade data from other sources
  ➢ **dependent variable**: a worker’s informality status \((inf)\)
  ➢ **key variable**: trade integration at country-sector level \((trade)\)
  ➢ **data sources**: e.g., World Bank Household Surveys or country-specific Household surveys, combined with trade information from UN Comtrade or EORA

• Methodology:
  ➢ linking country-sector’s trade integration to male and female workers’ informality status
  ➢ model can be applied within a country or across countries

\[ inf = \alpha + \beta_1 \text{rural} + \beta_2 \text{age} + \beta_3 \text{married} + \beta_4 \text{edu} + \beta_5 \text{occup} + \beta_6 \text{broadSector} + \beta_7 \ln\text{Output} + \beta_8 \text{trade} + D_c + D_s + \epsilon_{cs} \]
4. Women working in sectors engaged in trade are more likely to be employed formally.
5. How does tariff liberalization benefit women as consumers?

- **Impact of tariff elimination on male- vs. female-headed households (see Depetris Chauvina and Porto 2019)**
  - The full unilateral elimination of import tariffs leads to a change in domestic prices and wages.
  - Those changes in prices and wages affect households as consumers, producers and wage earners.
  - The model assesses if welfare effects are different for male and female-headed households due to:
    - different consumption and expenditure patterns
    - different income sources

- **Household-level data combined with import tariff data from other sources**
  - real incomes and expenditures from household surveys
  - import tariffs from Comtrade and UNCTAD TRAINS
5. Tariff elimination would benefit female-headed households in more than 75% of countries
6. Are female workers concentrated in sectors that suffer from higher trade costs?

- Sectoral data on **female labor share combined with tariff data** from other sources
  - female labor share, e.g. from Enterprise Surveys, GDLD, national sources
  - tariffs from Comtrade and UNCTAD TRAINS

- Methodology:
  - plotting **female labor share against tariffs** across sectors to assess if there is a **gender tariff gap**
  - analysis can be performed within a country or across countries
6. Sectors that employ more women face higher input tariffs
Conclusions and way forward

• The women and trade report provides **new data and methodologies** to assess the linkages between trade and gender equality.

• Potential applications of the global analysis at the country level include:

  ➢ Highlight the **implications of trade and trade liberalization** for the gender gap at the country level (also using more granular data)

  ➢ **Benchmark performance** of a country with respect to comparator or aspirational countries and **measure country progress** in specific gender indicators and their links with trade and trade policy

  ➢ Generate analysis to **support the gender tagging of trade policy reforms**

  ➢ **Formulate policy recommendations** on how trade and trade liberalization can benefit women
THANK YOU!!

For more information visit: