

## PACIFIC TRADE: Trading away women rights?

Australia, New Zealand and Pacific Island member states of the Pacific Islands Forum are preparing to negotiate a regional free trade agreement, under the Pacific Agreement on Closer Economic Relations (PACER). The proposed trade agreement, dubbed PACER-Plus, aims to liberalise trade in goods and services and reduce trade barriers (like tariffs or import duties).

But for trade outcomes to contribute to sustainable social and economic benefits for everyone, trade negotiators need to understand the different impacts of trade policy choices on women and men. As governments negotiate PACER-Plus, they must ensure that women and men are equally consulted to determine appropriate development options for the region. Trade policy should not be exempt from the commitments made by all governments in the region to progress gender equality.

### Trade and gender equality

**Why?** Trade policy choices will affect Pacific women and men differently because they play different social and economic roles, and because pervasive gender-based discrimination marginalises women from many aspects of social and economic life. Without effective gender analysis of trade policy options, PACER Plus negotiations will be based on a partial understanding of the current economic and social context. There is a danger that modelling of social impacts from a free trade agreement will ignore gender issues, resulting in missed opportunities, gender inequitable outcomes, and inefficient and ineffective economic policy.

**What?** A key challenge for Pacific Island Forum governments will be to ensure that PACER-Plus negotiations are informed by the different views and development aspirations of women and men. The differential impacts of trade on women and men must be analysed and systematically factored into decision making.

### Overview

Pacific Island countries (PICs) are preparing to negotiate a regional free trade agreement (FTA) with Australia and New Zealand, known as PACER-Plus.

This trade agreement will impact women and men in very different ways because they are differently integrated into formal and informal economies. In many Pacific countries, men dominate well-paid jobs, management positions and entrepreneurial activities.

Pacific women experience multiple inequalities that influence their participation in social and economic life, including limited access to and control of economic resources (i.e. land, credit), education, information, and decision-making rights.

Even so, they are largely responsible for the vital unpaid subsistence farming and care-giving that underpin economic and social activity. In Fiji, for example, women receive only 27% of all income available, despite undertaking 52% of all work (paid and unpaid) in the economy.

Traditional economic and trade policy is gender blind and yet the impacts are not. Trade policy does not recognise gender-based barriers to trade or the social impacts of trade agreements. Even though unpaid

labour contributions of women and men are central to Pacific economies, traditional trade analysis usually misses this key input. If policy makers ignore unpaid work, they are underestimating the amount of time people spend in productive activities – for this reason trade negotiators and governments can make inaccurate assumptions about the availability of people, in particular women, to undertake more paid work – at home or overseas.

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 liberalising trade. At the same time women will carry an unequal burden of trade adjustment costs, exacerbating prevailing gender inequalities.

## Sectoral issues and opportunities

### Employment opportunities in fisheries

The fisheries sector in the Pacific Islands generated \$4.3 million in exports to ANZ in 2005 and has been identified as a potential area for export-led growth in the PACER Plus negotiations.

Formal employment in the fisheries sector is segmented along gender lines: men can access skilled jobs on foreign fishing vessels, while women are concentrated in low-skilled, low-paid work in foreign-owned processing plants. The importance of Pacific fisheries in supplying world fish demand effectively guarantees jobs for local skilled fishermen. However, women's jobs in canneries and fish processing factories are less stable, as foreign companies search for the lowest cost workforce to maintain competitiveness. The potential for investors to relocate for lower operating costs puts considerable pressure on governments to maintain low minimum wages, and is a disincentive to improving work conditions and addressing women's employment rights and needs.

In May 2009, Chicken of the Sea, a Thai-owned export-oriented tuna cannery in American Samoa announced that it will close in September 2009, putting between 1,000 and 1,500 workers out a job. The company is one of the US territory's two canneries that form the backbone of the private sector economy (80%), and employ 34% of the labour force. The majority of employees are women from Samoa, working at the canneries for a wage of US\$3.76 an hour. The closure has been attributed to a planned increase in the country's minimum hourly wage rate, ostensibly reducing company profitability. Women working in this sector are likely to have limited education, skills and training, and will have limited opportunities to access alternative employment in higher paid, more stable sectors.

*Recommendation 1: Pacific governments need to complement trade arrangements with policies that enable both women and men to access decent work. If fisheries trade is to provide long-term employment opportunities for women and men, governments also need to invest in genuine training and skill development for women and men, and ensure equal pay for equal work.*

### Sustainability, subsistence fishing and trade

Semi-subsistence fishing activities, undertaken predominantly by women, currently supply 80% of Pacific Islander demand for fin fish, and contribute substantially to community protein intake. Subsistence fishing activities have traditionally taken place in inshore

locations, close to communities, and have not competed with export-oriented offshore fishing. However in recent years the balance between subsistence and export-oriented fishing has been under increasing strain. This is largely due to the depletion of offshore fisheries and increasing worldwide demand for fish, leading offshore fishers to diversify into inshore fish stock. Fisheries authorities face considerable barriers to monitoring catch sizes, and ensuring the sustainability of fisheries resources in the face of strong demand is challenging.

Women have limited formal power to promote subsistence fishing and protect inshore fisheries. While they have considerable knowledge and skill in inshore fishing, women are often excluded from decision making on fisheries resources and land and sea use. Increasingly, decisions at community level are preferencing individual income aspirations over the food security needs of the whole community, with direct impacts on women's labour. By reallocating inshore fishing grounds to export-oriented fishing activities, land owners are forcing women to walk longer distances to obtain food for their families. Women cannot guarantee that male family members will use cash earned from export fishing to purchase food supplies.

Increased investment in commercial fishing for export through a PACER-Plus trade agreement will increase pressure on the region's fragile ecosystems, and marginalise women's semi-subsistence fishing activities, negatively affecting food security, community protein intake and women's time burden.

*Recommendation 2: Analysis of the benefits and challenges of export fisheries development through PACER-Plus needs to factor in the gendered impacts of fisheries policy on women's labour and time, subsistence activities and community well-being. To be sustainable, policy choices will need to balance economic growth, protein intake, ecological sustainability and food security needs, while enabling women to be part of land-use decision making.*

### Gender issues in forestry sector development

Through PACER-Plus, the forestry sectors in Papua New Guinea, Vanuatu and Solomon Islands have been earmarked as an area for investment growth from Australia and New Zealand. But there are already serious concerns about the sustainability of current logging practices and the ability of Pacific Island governments to regulate forestry activities, the loss of community livelihoods, environmental degradation and the sexual abuse and violence associated with logging camps.<sup>1</sup>

<sup>1</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).

The Pacific logging industry is largely run by foreign companies using foreign labour, with some limited employment opportunities for male community members. Payments for logging rights are often negotiated by and paid to a small number of male community members, despite communal ownership of land. In many cases "...logging operations damage the very fabric of village society, leaving behind divided and demoralised communities."<sup>2</sup>

Despite having experience in forestry management and extensive knowledge of forest products, women are excluded from economic activities and decision-making processes around land-use. "Before, men consulted women about land use. Now when logging is in operation they ignore women. The men no longer consult with the women or seek their consent for logging operations, they leave out women from negotiations, timber hearings and other important decision making meetings."<sup>3</sup>

Many have attributed the women's loss of influence to the influx of money into communities: "Before logging, women were strong with the land....we were consulted and our collective needs respected. Now with money and development, the men make decisions without us and there is less respect for the Chiefs. There are now many land disputes, there is violence and our land is being destroyed"<sup>4</sup>.

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.

***Recommendation 3:** Given the existing difficulties in regulating and managing forestry activities, and the gendered social costs of logging in the Pacific, governments will need to carefully assess whether forestry activities can be part of a sustainable and equitable pathway to development. At minimum, governments will need to address the significant limitations of current governance mechanisms; enable more inclusive decision-making regarding land use that gives women a voice; establish pathways for equitable distribution of income and employment opportunities;*

<sup>2</sup> Jim Fingleton in Regina Scheyvens. *Sustaining women whilst sustaining the land? Engendering eco-timber production in the Solomon Islands*, Working Paper #262 Women in International Development, August 1997, p3.

<sup>3</sup> Community member cited in Ruth Maetala: *Matriilineal Land Tenures Systems in the Solomon Islands: The case of Guadalcanal, Makira and Isabel Provinces*, Pacific Islands Forum Secretariat: *Land and Women: The Matriilineal Factor* (PIFS, Suva 2008), p52.

<sup>4</sup> Gabrielle Halcrow: 'Inclusive and sustainable natural resource management' *IWDA News*, Issue 76, 2009

*and protect women's rights to safety and security and land ownership.*

## **Tourism**

The tourism sector provides job opportunities for women and men in the Pacific, with women dominating low-paid service provision roles and the infant home-based handicraft industry.

Handicraft production is a potential value-added export available for women requiring flexible home-based work to meet their other needs. However, a number of hurdles exist in creating sustainable income opportunities, such as lack of access to credit, problems registering businesses and accessing licenses and women's lack of land rights in many islands.

Five women's marketplaces in Honiara have been reclaimed in recent years and redistributed to foreign business developers and large scale operators. This suggests a preference for external investors over support for building a local women-led handicraft industry. Liberalising trade will not support the development of a local handicraft industry unless specific steps are taken to overcome gender-based barriers to licensing, credit provision, setting up a business and accessing secure market sites.

Growth in paid employment opportunities for women can also exacerbate tension between women's unpaid and paid work responsibilities given 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 added to their existing unpaid workload. Paid employment is unlikely to be a liberating experience while women face barriers to acquiring economic resources such as land due to restrictive cultural and legal frameworks.

***Recommendation 4:** In considering strategies to create jobs for women and men in the tourism sector, governments need to recognise that women are economic actors. There is a need to explore options that expand the labour market, increase both female and male employment, take steps to narrow the wage gap between women and men, and address current gender-based labour market segmentation.*

## **Manufacturing**

The manufacturing sector in the Pacific currently faces many barriers to sustainability including the high costs of imported inputs, small production capacities and, in the

case of the textile industry, the focus on cost-driven labour-intensive, low-skill, and low-technology production. Lowering tariffs through PACER-Plus will further limit options for growth in larger-scale manufacturing. Economists are promoting the development of small-scale niche product industries as an alternative.

As women comprise much of the current labour force in export-oriented manufacturing operations, they will bear the brunt of production closures. In Fiji, 4,500-5,000 women are currently employed in the inefficient textile industry. Their income is estimated to effect as many as 25,000 people. The proposed reduction of tariffs through PACER-Plus and the influx of cheaper Australian and New Zealand products will likely result in factory closures and very significant job losses, most of which will be jobs currently held by women.

Fiji's sugar industry is also predicted to collapse as a result of changes associated with the proposed PACER-Plus trade agreement and the EU Economic Partnership Agreement (EPA). This would see the potential loss of 200,000 manufacturing and related services jobs, the majority of which are held by women from lower-income families.

Low wages, long work hours, ongoing household obligations, and lack of subsidised child care make it difficult for women to train or upgrade their skills in anticipation of these changes.

*Recommendation 5: Given that a large proportion of the workers in the region's textile and food processing sectors are women from low-income families, specific mitigating actions will be needed if governments are to avoid women bearing the brunt of the economic adjustments associated with PACER-Plus.*

## Summary

**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 pre-requisite for detailed trade negotiations.

Trade policy development also needs to be complemented by social policy initiatives that recognise that women are likely to bear the brunt of adjustments associated with structural economic change, and they face substantial barriers to accessing new opportunities.

An inclusive approach to the region's future development that addresses the legacy of past initiatives and contributes to sustainable outcomes will require input from diverse voices in civil society, faith groups, and government.

In particular, Pacific women need to be meaningfully engaged alongside men in national and regional dialogue to identify economic and trade policy options that will promote women and men's equal economic rights and opportunities, improve gender equality and meet health, food security, safety and economic needs. The voices of a diverse range of women and men need to be heard and respected by all governments party to PACER-Plus negotiations.

**No government has a right to trade away women's rights and futures.**

### Find out more:

SPC Women in Fisheries Bulletins (available online): <http://www.spc.int/coastfish/News/WIF/wif.htm>

Pacific Islands Forum Secretariat: Land and Women - the Matrilineal Factor (PIFS, Suva, 2008).

Anna Hutchens: *Women in Business in Solomon Islands; key findings from the April 2008 scoping mission* (AusAID, Canberra 2008).

*This fact sheet, written by Claire Rowland of the International Women's Development Agency (IWDA), is the fourth in a series produced by the Australian Civil Society Network on Pacific Trade, which links unions, churches and non government organisations. For further information, contact the network at [pacifictrade@gmail.com](mailto:pacifictrade@gmail.com)*