

**The Impact of Trade and Investment Agreements on Decent Work and Sustainable
Development: Trade Unions Role in Influencing Trade Policies**

Capacity Building Workshop for NLC Focal Points

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**An overview on the nexus between trade, the ILO Decent work agenda, and Agenda
2030 for Sustainable Development: Implications for women and youth**

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Key Ideas

- Nexus
- Trade
- the ILO Decent work agenda
- Agenda 2030 for Sustainable Development
- Implications for women
- Implications for youth
- How does the trade union relate to all this?

Nexus

- Where do these concepts overlap or meet?
- How do these concepts interact?

TRADE

- International trade, the myth of free trade, open markets, historical trajectory of international trade for Africa, peripheral economies, resource extraction, commodity exports, and low value add, the reorganisation of production and the rise of value chains, contemporary developments in trade and the crisis at the WTO.

Agenda 2030 for Sustainable Development



<https://sdgs.un.org/goals#implementation>

Four pillars of the ILO Decent Work Agenda

- 1) promoting jobs and enterprise
 - 2) guaranteeing rights at work
 - 3) extending social protection
 - 4) promoting social dialogue
- ❖ gender as a cross-cutting theme.

How does the Decent Work Agenda map onto Sustainable Development?

ILO Brochure, May 2017, accessed 11/05/23 at https://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---ilo-lisbon/documents/event/wcms_667247.pdf



International Labour Organization

Formal trade and informal economies

- Africa has the **highest proportion of informal employment** in the world, at 85.8 percent. In addition, 89.7 percent of women are in the informal labour force, compared with 82.7 percent of men. Young people and the elderly also have high levels of informal employment; 94.9 percent of people aged 15 to 24 years and 96.0 percent of people aged 65 years and older are employed in the informal sector. As these figures show, **discussions about the informal economy impact the majority of people in Africa.**
- “a **rights-based approach** emphasizes the inclusion, protection and empowerment of people who depend on the informal economy, while a **business-based approach** emphasizes the importance of deregulation, free enterprise and an enabling environment.”

Unleashing the informal sector in the AfCFTA, Amadou Sow (UNDP) in The Futures Report: MAKING THE AfCFTA WORK, p95/96, AfCFTA Secretariat, accessed on 14/05/2023 at https://au.int/sites/default/files/documents/39689-doc-ss_afcftafuturereport.pdf

The AfCFTA and Women and Youth in Trade

“What has been clear from the preparatory work is that **the challenges women and youth face in cross-border trade are different** from those that other traders face.” – TRALAC, December 2022

Accessed on 14/05/23 at <https://www.tralac.org/documents/resources/factsheets/4736-afcfta-factsheet-architecture-of-the-afcfta-protocol-on-women-and-youth-in-trade-december-2022/file.html>

Woman AND Youth

“...it is not quite clear why the needs of women traders should be negotiated together with those of African youth. The African youth faces many different and unique challenges, of which unemployment and inadequate education are the most serious. Most of their problems (and the required responses) are not directly trade-related, at least not as understood in the AfCFTA context. **Better trade governance is not the starting point for youth-related policies; for women traders it is.**”

– Harzenberg & Erasmus, July 2022

Accessed on 14/05/2023 at <https://www.tralac.org/blog/article/15667-women-in-trade-in-the-afcfta-what-the-protocol-provide.html>

Women in Trade

“The Protocol is expected to address **the specific constraints and barriers women face** when trading on the continent. It will create an environment that allows women to utilise the AfCFTA by accessing wider markets, improving their competitiveness, and participating in regional value chains.” – AFCFTA Secretariat

Accessed on 14/05/23 at <https://au-afcfta.org/trade-areas/women-in-trade/>

What does the AfCFTA say so far?

1 Preamble of the AfCFTA Agreement

*"RECOGNISING the importance international security, democracy, human rights, **gender equality**, and the rule of law for the development of international trade and economic cooperation."* (Emphasis added)

3 Article 27(2)(d) of the Protocol on Trade in Services

*"State Parties agree, where possible, to mobilise resources, in collaboration with development partners, and implement measures, in support of the domestic efforts of State Parties, with a view to, inter alia ... improving the export capacity of both formal and informal service suppliers, with particular attention to micro-small and medium size, **women and youth** service suppliers."* (Emphasis added)

2

Article 3(e) of the AfCFTA Agreement

*"The general objectives of the AfCFTA are to ... promote and attain sustainable and inclusive socio-economic development, **gender equality** and structural transformation of the State Parties."* (Emphasis added)

Women in Trade

“When the AfCFTA has such a Protocol it will be possible to **align national measures and policies in the State Parties and to pull in the same direction**. A continent-wide and comprehensive undertaking will make it possible to prioritise the implementation of obligations to assist women traders in a focussed manner.

The **Regional Economic Communities (RECs)**, which will continue to function once the AfCFTA is operational, will then become part of such an endeavour. This is very necessary; the bulk of intra-African trade in goods will continue to happen in the REC FTAs. **They are the building blocks of the AfCFTA.**” – Harzenberg & Erasmus, July 2022

How do we make sense of how the AfCFTA will interact with the issue of women in trade?

- It seems sensible to assume that the patterns of inclusion and exclusion of women in any national economy of a member state of the AfCFTA would be **reproduced** in the regional economic communities (RECs) that those member states are party to.
- Since the AfCFTA incorporates those same member states and RECs, we might reasonably assume that those patterns would be reproduced once again.
- In fact, if women are generally discriminated against more than other groups or face more gender-specific barriers to participation than other groups, we might reasonably assume that their participation could even fall off as we move into export trade that likely requires higher levels of information, opportunity, resources and capacities to access than does domestic trade.

What might be in a Protocol on Women in Trade?

“On what should an AfCFTA Protocol on Women in Trade focus?”

Part of the answer is that it should address the persistent challenges faced by women in trade and provide solutions in terms of better **border governance and trade facilitation**.

And there should be **bespoke continental and national institutions** to implement obligations, remove general malfunctioning, and monitor compliance.

The problems faced by women traders are not only another manifestation of **Non-Tariff Barriers (NTBs)**; they are **systemic** in nature.” - Harzenberg & Erasmus, July 2022

The nature of the relationship between women and the AfCFTA

- 1) Women in direct relationship with trade as owners of SMMEs and larger enterprises)
- 2) Women in an indirect relationship with trade through employment or unemployment

How does the AfCFTA secretariat think inclusion?

“...in its inception, **the AfCFTA will be driven by SMEs**. Current investment promotion rules and specific services sector commitments by African countries reveal the **implicit assumption that companies crossing borders are large and well-resourced**. Investment thresholds generally remain high, formalities are cumbersome, and incentives are typically granted to investors meeting steep criteria. The success of the AfCFTA will require conscious reflection, adjustments to reforms and the negotiation of additional protocols to ensure that the rules, processes and costs incorporate **bands and thresholds that SMEs can satisfy and utilize**. The ultimate goal is for many SMEs to grow into thriving African multinational companies through intra-African trade.”

The Futures Report: MAKING THE AfCFTA WORK, p86, AfCFTA Secretariat, accessed on 14/05/2023 at https://au.int/sites/default/files/documents/39689-doc-ss_afcftafuturereport.pdf

Implications for women

What have been the implications of international trade for women in Africa so far?

The best approach is that the Protocol on Women and Youth in Trade should **mainstream** gender issues in the AfCFTA. This includes incorporating a gender perspective to all trade related issues of the AfCFTA with a view to achieving gender equality and eliminating all forms of discrimination. (TRALAC)

Accessed on 14/05/2023 at <https://www.un.org/womenwatch/osagi/gendermainstreaming.html>

Useful concept: **gender-distinct trade barriers**

How can we support women and youth in trade?

Findings from 26 National Consultations on Women in Trade, Regional Stakeholder Consultations for Women and Youth in Trade, and the Inaugural AfCFTA Women and Youth in Trade Conference (held in Tanzania in September 2022) facilitated by the AfCFTA Secretariat.



Access to trade finance



Access to trade information



Data-aggregation on women and youth in trade



Capacity building



Strengthen women and youth traders networks and partnerships



Public procurement



Integrating women and youth in regional value chains



Support informal women and youth traders



Participation of women and youth in trade negotiations

Architecture of the AfCFTA Protocol on Women and Youth in Trade, TRALAC, accessed on 11/05/23 at <https://www.tralac.org/documents/resources/factsheets/4736-afcfta-factsheet-architecture-of-the-afcfta-protocol-on-women-and-youth-in-trade-december-2022/file.html>

What might a protocol look like?

Most provisions put forward for women in trade are indistinguishable from provisions that might benefit from any sub group.

- a) Increase access to education, skills development and training on business skills;
- b) Increase access to market opportunities nationally, regionally and internationally;
- c) increase access to digital skills, digital learning and e-commerce opportunities;
- d) increase access to information on tariff and non-tariff barriers and on market opportunities;
- e) simplify access to finance and trade finance instruments;
- f) enhance access to health services, health insurance and physical safety against conflicts and violence;

United Nations Economic Commission for Africa (ECA), in collaboration with Namibia's Ministry of Industrialisation and Trade (MIT), November 2022 - accessed on 14/05/2023 at <https://www.uneca.org/stories/women-entrepreneurs-and-youth-information-sharing-on-afcfta-and-the-protocol-on-women-and>

The question therefore is to what extent will such provisions target women in particular.

To what extent will provisions influence (regulate) labour market and trade participation outcomes in the national economies of member states?

What will member states be willing to sign up for in this regard?

Youth

Demographics – the political economy of a young population

A young population is an opportunity in that there are ample resources to draw on unlike many other countries with ageing populations, but also a threat to social and political stability if countries are unable to facilitate productive participation of youth in economic life.

94.9 percent of people aged 15 to 24 years and 96.0 percent of people aged 65 years and older are employed in the informal sector.

Unleashing the informal sector in the AfCFTA, Amadou Sow (UNDP) in The Futures Report: MAKING THE AfCFTA WORK, p95/96, AfCFTA Secretariat, accessed on 14/05/2023 at https://au.int/sites/default/files/documents/39689-doc-ss_afcftafuturereport.pdf

“The African youth faces many different and unique challenges, of which unemployment and inadequate education are the most serious.”

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Social dialogue

“...the narrative of this Futures Report may seem to suggest that responsibility for the AfCFTA rests on a duopoly of Governments and the private business sector. However, **implementation of the AfCFTA goes beyond these stakeholders to include civil society, workers, students, communities and others.**

It is important to note that **regional economic communities are the building blocks** of the continental market, as stated in the AfCFTA Agreement. This publication has highlighted their role in the coordination of initiatives, regional value chains and benchmarking of successful trade facilitation initiatives, which should be leveraged.”

The Futures Report: MAKING THE AfCFTA WORK, p86, AfCFTA Secretariat, accessed on 14/05/2023 at https://au.int/sites/default/files/documents/39689-doc-ss_afcftafuturereport.pdf

A role for the trade union movement in the future

“Lastly, some sectors, value chains and businesses will necessarily be **negatively impacted** by the changes expected from implementing the Agreement, including the emergence of firms and new business models, digitalization, increased levels of industrial production and service-driven economic growth. For others, the AfCFTA may not bear fruit immediately. Euphoria, ambition and expectation must be complemented by **close and careful monitoring of outcomes alongside analysis and interventions by Governments, investors, businesses and all other stakeholders.**”

“Two thirds of negotiations should happen at home.”

Faizel Ismail, Former WTO Ambassador for South Africa

If we cannot influence our national government then we have squandered our main opportunity for influence.

- Demanding mechanisms for social dialogue. The most effective trade negotiator understands the political economy at home and in other member states. The most effective trade negotiator
- Articulating sector concerns
- Taking on the role of monitoring and review
- Developing our own competencies to engage
- Building alliances for influence